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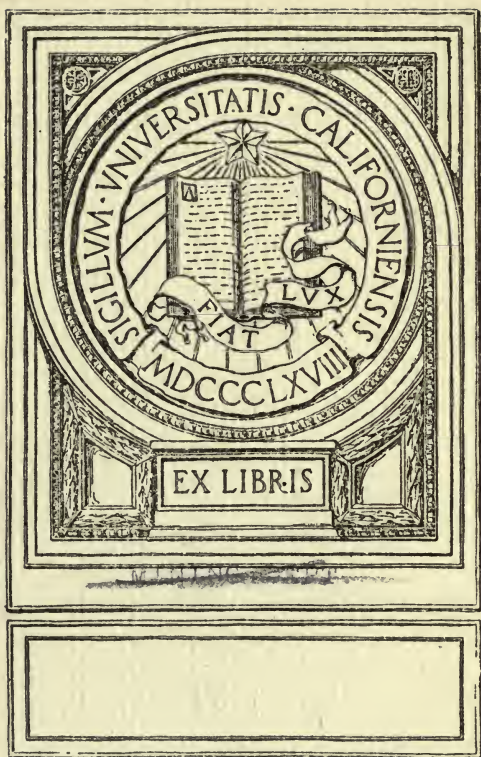


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THE
INVESTOR'S
CATECHISM

By

MARC M. REYNOLDS



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THE INVESTOR'S C A T E C H I S M

By MARC M. REYNOLDS

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INTRODUCTION

FEW people outside of professional financiers understand the investment of money. Investment is a business which demands constant application and an analytical study of all classes of securities, together with the local, national and international conditions which affect the world's markets.

In the preparation of this volume, the first of the elementary series to be devoted to the subject of investments, the author has attempted to simplify the abstruse words and phrases which are used by brokers to classify various forms of investments and speculation. No attempt has been made to analyze investments, but rather an endeavor to impart to the novitiate the rudiments necessary to acquire, before an intelligent understanding of speculation and investment can be gained.

Ninety per cent. of the people who buy stocks, bonds and other securities depend upon the brokers through whom they deal for their information. An honest broker will give his client a conscientious opinion on a security, but he may err in judgment and frequently is blamed where the blame should be laid at the door of the investor for not having carefully studied the investment for himself, and formed his own opinion.

A Catechetical style has been followed. The questions and answers have been so arranged that any person without even the slightest knowledge of the operations of stock exchanges, brokerage business, speculation or investment, after studying this book, will have obtained fundamental knowledge which will enable him to intelligently pursue a higher course of study in investments.

AUTHOR.

The Investor's Catechism.

What is INVESTMENT ?

Investment in the sense of buying and differing from speculation, is buying and paying outright for any security, whether it be stocks, bonds, notes, wheat, corn, or other forms of produce. An investment is the purchase of a dividend paying security ; the investor purchases stocks, bonds or notes, because he will realize a good return in dividends for the amount of money invested, and not merely because he believes the stock will advance in its market value. It is impossible, however, to eliminate speculation from investment entirely, as the probable increased future market value of the security purchased is always taken into consideration by the wise investor.

What is SPECULATION ?

Speculation, in a stock market sense, is gambling. A speculator buys stocks on margin, with no intention of actually paying in full and having the securities pass into his possession, or he sells stocks on margin without actually owning the stocks. Sometimes the cheaper stocks are purchased outright for speculative purposes only. This is the case in curb securities, such as some of the mining stocks, etc., which are not dividend payers. They are purchased when cheap to sell as soon as the market has advanced. Having no value except what is created in the market, the purchase of such stocks is pure speculation.

What is meant by ABOVE PAR ?

When a security is higher than par or nominal value.

What is an ACCOUNT OF SALES ?

A statement of purchases or sales, or both, rendered to his client by a broker.

What are ACCOUNTS AND RISKS ?

Brokers use forms on which are the words, "Buy or sell for my account and risk," for the use of their customers when giving orders for purchases or sales of securities. This means that when an order as given is executed by the broker, it is for the account and risk of the customer and that the broker is acting as the agent only in the matter; therefore, is in no sense personally liable. The customer is held entirely responsible for the transaction.

What are ACTUAL RATES ?

The actual prices at which sterling exchange is bought and sold at any given time.

What is meant by AFLOAT ?

Used in the grain trade to designate the amount of grain which has been exported, but has not arrived at its destination.

What is an ALLOTMENT ?

It is a term used in connection with underwriting syndicates in the amounts assigned to members or subscribers. When an underwriting syndicate is being

formed and different concerns are subscribing for portions of the underwriting, it is the custom that the managers of the syndicate have it in their power to allot to a subscriber less than the amount applied for, provided the total subscription or underwriting exceeds the total amount offered for subscription. Many instances have occurred where an over-subscription of a stock or bond issue has been so great that the subscribers' final allotment is only a small proportion, sometimes only 10% of the amount for which he has subscribed. Such subscriptions have frequently, in popular securities, induced underwriters to subscribe for greater amounts than they expected to receive and thereby have been able to secure the allotment actually desired.

What is an APEX?

The real definition of the word is "point," or "top." Applied to mining, apexing means mining a claim where the ledge apexes or comes to a point, on an adjoining claim or property. The law gives to the owner of a mining claim the right to mine an apex to its depth by following the vein, whether the vein continues on that particular claim or not.

What is meant by ARBITRAGE?

The meaning of this expression is buying and selling of securities in two different markets, as in New York and London or New York and San Francisco, the purpose being to make a profit from the difference in the quotations between the two markets. Some

brokers do an extensive business in arbitrage, as follows:

Arbitrage in stocks is based on the temporary differences in prices between the different markets for the same stock. When a stock is selling at a higher price in one market than in another, it is sold in the market where the higher price prevails and is bought in the market where the lower price prevails. When equality in price has been restored he closes his transactions by buying where he sold and selling where he bought. The difference in the market prices represents his profit.

Calculating values for American stocks on the London Stock Exchange requires figuring of prices on the London Exchange $2\frac{5}{8}\%$ higher than the prices for the same stocks on the New York Stock Exchange when they are actually the equivalent of the prices on the New York Stock Exchange. In arbitrage dealings, consequently, allowance has to be made for this difference in prices between London and New York, which is merely figurative, but not actual. The figure of $2\frac{5}{8}\%$ mentioned is reached as follows: In dealings in American stocks on the London Stock Exchange four shillings is counted as one dollar. Four shillings being equal to 97 1-3 cents, the price of an American stock must be 2 2-3% (quotably, $2\frac{5}{8}\%$) higher in London than in New York, if the London price is at a parity with the New York price. $2\frac{5}{8}\%$ of the par value is not to be added arbitrarily to the New York price, but $2\frac{5}{8}\%$ of the New York price is to be added to the New York price to make an equivalent London price.

What does ARGENTINE refer to?

To Argentine Republic, a term used in the grain trade.

What is an ASSIGNMENT ?

When a holder of stock transfers his holdings to another, he makes an "assignment" of his stock. When a firm goes into bankruptcy, and an assignee is appointed, it is an "assignment." A transfer of title or claim in stocks, bonds, bills, deeds or interest in real or personal property, is an "assignment."

What are ASSENTED STOCKS or BONDS ?

Securities deposited under an agreement by which the owners assent to some change in the status of the securities for purposes of reorganization. Foreclosure or other legal process is thus avoided, the owners of the securities assenting to an exchange for new securities.

What is meant by ASSIGNED IN BLANK ?

The ordinary stock certificate has on its back a printed form of assignment, whereby the owner of the certificate can endorse the same and thus make it a good delivery in selling it or passing it to the credit or ownership of another.

What is an ASSESSMENT ?

An assessment on a security is a call from a corporation on stockholders to pay into the treasury a specified sum of money on each share of the stock they may hold. There are many kinds of assessments, the

most common resulting from a plan or reorganization, to secure funds to discharge debts and for working capital. Most railroad and other large corporation stocks are legally non-assessable, but in a reorganization where conditions make it necessary to make concessions and sacrifices, assessments are frequently paid. Such assessments are, in a way, voluntary and simply paid to preserve the property, and with the hope that the result will ultimately add value enough to the securities to repay the stockholder. The stockholder has no alternative except to pay the assessment. If he fails to pay it, usually an underwriting syndicate stands ready to take his stock at a current market price and pay the assessment itself. This results in the original stockholder being "frozen out." Any future benefit from the reorganization is derived by the payer of the assessment.

What are ATLANTIC PORTS ?

Boston, New York, Philadelphia and Baltimore—the leading export points.

What is AVERAGING OUT ?

It is the progressive increase of speculative trading, so you can close your deal with a profit earlier than if you had not increased your holdings. Example: If you buy 100 shares of Pennsylvania at 110, and it declines to 108, you buy another 100, then a recovery to 109 would make you even.

What is BACKWARDATION ?

It is a London Stock Exchange term, signifying the premium paid for delay in delivering stocks.

What is a BALANCE ?

It is the amount required to equalize the debtor and creditor sides of an account.

What is BALANCE OF TRADE ?

It is the difference in money value between imports and exports of a country. If the United States sells to Europe more than it buys, the balance of trade is said to be in favor of the United States.

What is a BALE ?

In speculative cotton trading, this word represents 500 pounds of cotton, or in speculative hops, 180 pounds. When bought and sold for consumption, however, each bale is accurately weighed and only the net weight is recorded.

What is BALLOONING ?

It refers to a stock boosted up far beyond its intrinsic value in the market by favorable stories, fictitious sales, or any other methods.

Which are BALTIC PORTS ?

They are the Baltic Sea ports from which formerly most of the Russian wheat was exported. Now the

Russian wheat comes mostly from the Black Sea ports.

What is the BALTIMORE PLAN ?

A proposition that was once made by Baltimore financiers, having for its purpose the solving of the currency problem.

What is BANKING ?

Banking is nearly as old as our civilization. The Bible speaks of money-lenders and changers, but modern banking has evolved from our industrial development and commercial conditions. Modern banking is practically only about three hundred years old. Prior to that time it was largely individual banking. Three centuries ago it was not safe to venture out after dark in the streets of London unless properly armed, and carrying valuables was attended with danger. Goldsmiths and silversmiths necessarily had to keep large stocks of precious metals, and took great precautions for the protection of property of this kind. People gradually acquired the habit of depositing money with them, paying something for the privilege of sharing protection. In time goldsmiths learned that many depositors did not require it at once and began to loan to borrowers a part of their surplus, assuming all risks. It was also found that if a man had to discharge a debt it was more convenient to give his creditor an order for the money on the goldsmith than to personally get the gold and deliver it. This situation developed the system of transfer of credits

by means of individual checks. Loans through the goldsmith soon became the custom.

Modern banking has developed from this beginning. The modern bank is intended to receive on deposit and make legitimate loans of the money of its customers. It makes this money and its own paid-up capital the basis of loans, on which it charges interest in accordance with the laws under which it is chartered. Sometimes loans take the form of actual money. As a rule, however, they are merely credits against which the borrower is privileged to draw. Such loans are entered on the books of banks as deposits. In actual experience the loans and deposits so nearly counter-balance each other that only a small percentage of actual money is required to transact the larger affairs of business. It is only in retail transactions, in the payment of employees and in the smaller daily affairs of life that actual money is necessary.

The term banker is very broadly used, particularly in the United States. Stock and investment brokers, dealers in exchange and commercial paper, money-lenders, etc., call themselves bankers. Strictly speaking these are not bankers, although it is generally conceded that nowadays the term banker carries broader meaning than formerly.

What are BANK CLEARINGS ?

The total amount of the checks and drafts exchanged by banks and presented each day at the clearing house for an adjustment of balances. In large cities—Boston, Chicago, New York, etc.—less

than 10 per cent. of the commercial business is transacted with currency. While "clearings" do not represent the actual volume of transactions of banks, they form an excellent basis for calculating the volume of trade for practical purposes.

What is the BANK OF THE UNITED STATES ?

An institution that existed (from 1791-1811 and another from 1817-1833), each acting as fiscal agent of the United States Government.

What is the BANK OF ENGLAND ?

The Bank of England is the largest and most important monetary institution in the world. It was incorporated in 1694, and is the custodian of the public moneys of Great Britain and manager of the public debt. Its official title is "The Governor and Company of the Bank of England." The banking business of the British government is conducted by it, and it issues exchequer and treasury bills and advances money to the government. It is also the central bank of the City of London. The other banks keep in their own banks only enough deposits for the requirements of their business, depositing the remainder with the Bank of England.

What is a BANK OF ENGLAND NOTE ?

The circulating note or money issued by the Bank of England is the important financial function in the United Kingdom. The Bank of England is permitted

to issue a certain number of notes based on government securities, and is also privileged to issue on government securities an amount equal to two-thirds of the issues of all other banks in England and Wales when the latter go out of existence or surrender their circulation. The Bank of England may also issue notes beyond such amount it deems advisable by providing and setting aside an equal amount of gold coin or bullion.

During a panic, Parliament allows the bank to increase the number of notes it may issue against securities. This is possible by the suspension of the "Bank Act," which limits the amount of the bank's circulation of notes backed only by securities. The last time the bank act was suspended was in 1866.

The Bank of England's notes are legal tender in England and Wales, but are not legal tender in payments made by the bank itself.

What is the BANK OF ENGLAND RATE ?

It is the title given to the minimum rate of discount of the Bank of England. The minimum rate is what the Bank of England itself will discount the best three months' bills. The official standard of discount in relation to the movement of gold to and from London. Raising the rate increases the value of money and the object is to attract gold from other centres where the value of gold at the time is less. The directors of the bank often insure the effectiveness of the rate by borrowing in the money market, thus denuding it.

What is a BANK STATEMENT ?

A bank statement is issued from the Clearing House of large cities each week. The weekly statement is the collective showing made by the banks belonging to the Clearing House Association. This consolidated bank statement in New York shows the average deposits, loans, specie, legal tenders, circulation reserve and surplus reserve for the week ending with and including Friday.

The deposits include balances of persons and concerns, balances to the credit of other banks, and all other money and credits subject to withdrawal. Under the item, Loans, is included money loaned and paper bought, such as promissory notes, drafts, etc. Under Specie, is included gold and silver coin, gold and silver certificates, redeemable in gold or silver. Legal tender means United States notes or greenbacks, and treasury notes are those issued for silver bullion, purchased under the so-called Sherman act. Circulation means the notes issued by national banks which are secured by government bonds, deposited by the United States Treasurer. A bank cannot count circulation in its reserve, and whether it is its own circulation or the circulation of some other bank, makes no difference. Reserve means the amount of specie and legal tender held. Surplus reserve is the amount of specie and legal tender held in excess of legal requirements. For instance, a national bank in New York City must, by law, maintain a reserve equal to 25% of its profits, a State bank must by law, maintain a reserve of 15%. In compiling a bank statement, a reserve of 25% is

figured for State banks as well as national banks. The bank statement is supposed to be made up on rising averages when the itemized sums have been increasing during the week; or the statement is remarked to be on falling averages, when the sums have decreased during the week. The bank statement is favorable when it shows the position of banks has been strengthened by an increase in surplus reserve through an increase in cash holdings rather than by a decrease in deposits, the latter is frequently affected by calling of loans. Money loaned is largely credited to borrowers on their deposit accounts, increasing the total deposits of the banks; the payment of loans by borrowers decreases deposits. Calling and payment of loans do not increase cash holdings, but simply change balances in individual accounts. A reduction in deposits reduces the amount of cash required as legal reserve, and correspondingly expands the surplus reserve.

The bank statement is understood to be unfavorable when the position of banks has been weakened by a decrease in the surplus reserve through decrease in cash holdings rather than an increase in deposits, frequently changed by an expansion of loans, thus expanding deposits and increasing cash required to be held as legal reserve. The bank statement is favorable, however, if an increase in loans be reported when the banks have a large surplus reserve. It may be said to be unfavorable when money is idly accumulating in banks and deposits are increasing, not as a result of increasing loans, but in the absence of a borrowing demand for money.

What is a BARREL ?

The standard of a commercial barrel of pork is figured at 200 pounds, but it contains only 190 pounds of fresh or green meat, and the addition of brine increases the weight to 220 or 225 pounds. A barrel of flour contains 196 pounds; salt, 280 pounds; resin, 280 pounds; cured fish, 200 pounds. The number of gallons in a barrel of molasses, syrup, oils, turpentine, wines, liquors and all liquids varies from 40 to 50 gallons. Sales are made on the basis of actual contents only.

What is a BEAR ?

A Bear in Wall Street is a speculator who believes in lower prices, who sells stock, grain, cotton, etc., short, or advises the selling of stock believing it can be bought back at a lower price.

What are BILLS OF EXCHANGE ?

They are written orders or requests from one person to another for the payment of money to a third, the amount to be charged to the issuers of the bills. There is practically no difference between a bill of exchange and a draft. A bill of exchange is commonly applied to an order for money payable in a foreign country. A draft is an order for domestic uses of payment.

Bills of exchange are a most important circulating medium. The wholesale transactions of the world, between countries, are affected by bills of exchange,

which are international in origin. Commercial bills of exchange, accompanied by bills of lading or warehouse receipts, are very high class and command a lower rate of discount than bills not secured. In a stringent money market they are saleable when other bills are refused.

What is **BLACK-FRIDAY** ?

It refers to Friday, September 24, 1869, when Jay Gould, James Fisk, Jr., and his associates effected a partial corner in gold, the end of which was a disastrous failure, owing to the Government's Secretary of the Treasury, Boutwell, coming to the rescue of the country with \$4,000,000 of gold given in exchange for bonds. In a moment the corner collapsed and the gold panic was broken.

What is a **BLIND POOL** ?

A secret or blind pool is created when several persons contribute capital for operating in stocks or bonds on the long or short side, and when only the manager of the pool knows in what way the money is to be used. The purpose of such a pool is to fool the other operators in the market not in the pool.

What is meant by a **BLOCK** ?

It refers to a number of shares, 5,000, 10,000 15,000 or more, bought or sold in a lump at one time.

What is a BOARD ROOM ?

It is the exchange room on a stock exchange, or any room where boards of directors of a corporation meet.

What is a BONANZA ?

A rich mine, vein or find of ore, especially of silver or gold ore, or a profitable investment. Sometimes a lucky operation.

What is a BOND ?

A certificate of obligation usually issued by a corporation to pay money secured by mortgage or other guarantee. It is usually an interest bearing certificate issued in denominations of \$1,000. There are numerous sorts of bonds, some being issued by corporations, others by municipalities or governments, and some by individuals.

Government securities are generally designated as bonds, although they were many years ago known as stocks. Some of the securities issued by New York City are still designated as stocks, but American municipalities generally designate their securities as bonds. Railroads and other corporations have both bonds and stocks.

What is an ADJUSTMENT BOND ?

A bond issued for the purpose of adjusting the finances of a company, usually at a time of reorganization. The Atchison, Topeka & Santa Fe Railroad system was reorganized in 1897. Some arrangement with the old preferred stockholders and the holders

of the general mortgage bonds was necessary. Fixed charges had to be reduced, but at the same time the reorganization committee could not avoid giving the holders of a large proportion of the old securities something more tangible than a mere preferred stock. A second mortgage bond, entitled to receive interest only in case the same had been earned, was executed and the holders of the bond were not allowed to foreclose before maturity in the event of the interest should not be paid. The interest on this particular issue was to be accumulative after 5 years, but as far as any positive guarantee of interest being currently paid was concerned, the issue was simply in the same class as the ordinary accumulative preferred stock. This issue of bonds was a compromise for the benefit of the holders of old securities, and, therefore, was given the title of "adjustment bond;" since issued by other companies.

What are CONVERTIBLE BONDS ?

Usually Convertible Bonds are a direct obligation of the corporation issuing them and have a fixed rate of interest, but may not be a direct lien on the property; in some instances they are a direct lien on the railroad, or if issued by other corporations, on the real property.

Holders of convertible bonds may have the right to convert them into stock at such times as they may elect, according to the terms of conversion stipulated in the bond. If a direct lien on good security, convertible bonds are a good investment.

What is a GUARANTEED BOND ?

A bond having the payment of its principal and interest guaranteed by another corporation. When a railroad leases another railroad frequently it guarantees the principal and interest on the bonds of the leased road. This guarantee may be shown on the bond itself, or it may be stipulated in the lease.

What are INVESTMENT BONDS ?

These bonds are issued in various denominations and at all rates of interest from 3% to 7%. They embrace various railroad bonds, public utility issues, industrial issues, bonds on mines and other enterprises, in addition to government or municipal securities.

What is an OPTIONAL BOND ?

A bond maturing at a specified date, which may be redeemed after a stipulated date at the option of the company issuing it.

What is a REGISTERED BOND ?

It is one bearing the name of the owner and registered in his name. This style of bond is transferable and contains a form for assignment and transfer. When a registered bond is transferred, a new bond is issued to take its place. As is the case with stock, any change of address should be sent to the company. Some coupon bonds are registered, but not as a rule.

What is a REGISTERED COUPON BOND ?

A registered coupon bond is one on which the principal may be paid only to the person in whose name it is recorded. The interest coupons, however, are payable to bearer and may be collected by any holder.

What are GOLD BONDS ?

Bonds on which principal and interest are payable in gold. Prior to 1896, when there was doubt in the minds of investors whether the United States would maintain the gold standard, corporations found it necessary to insert what was called the "gold clause" in mortgages issued to insure investors purchasing the bonds. It was difficult to float issues which did not include the gold clause. The reason was that in the event of this country going on a silver basis of currency, the principal and interest of the bonds would have been payable in depreciated money, and the investor might lose as much as one-half of his principal. The "gold clause" is now unnecessary, as all doubt about the permanency of our gold standard has passed.

What are MUNICIPAL BONDS ?

Those issued by a town or city having a charter of incorporation conferring privileges of local self-government.

What is meant by BOOK VALUE ?

Usually applied to bank stocks, though sometimes used in stocks of other corporations. The following

plan is adopted to learn the book value of any particular stock:

Supposing the official statement of a bank shows surplus and undivided profits equal to 50% on the stock outstanding, then the book value of the stock is 100% plus 50% or a total of 150%. If the bank shows no net profits, but a deficit equal to 10% on the stock, then the book value of the stock would only be 90. The book value of stocks of other corporations is ascertained in the same manner, but it is more puzzling for the reason that it is not usually easy to ascertain the uniform facts regarding assets, liabilities, surplus, etc.

What is meant by BOOKS OPENED ?

After the transfer books of the company are opened following the election or stockholders' meeting, the ownership of a security can be transferred on the records. While certificates can change hands at any time, they cannot be formally transferred from one holder to another during the period when the transfer books are closed.

What is a BROKER ?

One who executes orders in stocks, bonds or any securities for the purchase or sale of same. In real estate transactions he is called an agent.

What is an ARBITRAGE BROKER ?

A broker who makes a specialty of arbitrage business. Some New York Stock Exchange houses with London connections are called "arbitrage houses."

Some curb brokers arbitrage between San Francisco, New York and Boston.

What is a BOND BROKER ?

One who makes a specialty of buying and selling bonds.

What is a COMMISSION BROKER ?

One who transacts business for his clients on commission only.

What is a CURB BROKER ?

One who trades on the outside or curb market only.

What is an INVESTMENT BROKER ?

One who buys and sells stocks outright for customers, for cash and not on margin; one who deals in dividend paying securities.

What is a MONEY BROKER ?

He is a dealer in coin, bullion and foreign exchange; usually a Stock Exchange member, whose business is the lending of money on call for financial banks.

What is an OUTSIDE BROKER ?

A broker, not a member of an exchange, who deals in securities not dealt in on a stock exchange. A dealer in the outside market or on the curb is recognized as an outside broker. In New York such a broker is regular. In London, however an outside

broker is not a member of the London Stock Exchange, and is sometimes classed as a bucket shop-keeper. Many English outside brokers do a legitimate business.

What is a TWO-DOLLAR BROKER ?

He is a member of the Stock Exchange who executes orders for fellow-members for a commission of \$2 per hundred shares.

What is a BREAK ?

When stock is kept up by artificial means, and attacked by the bears or other causes, it declines, it is called a break.

What is a BUCKET SHOP ?

A bucket shop is a place not recognized by a regular exchange, where bets are made on regular exchange quotations. No actual transactions take place. A margin is put up by the customer with the Bucket shop broker and commission is charged for buying and selling the same as on an exchange. When the quotation shows a profit to the customer he is privileged to demand the profit; when the limit of the customer's margin has been reached and the customer has lost his bet, the transaction is closed.

What is BUCKETING ?

An operation carried on by a broker at his own personal account or risk against a customer's purchase, without investing any money in actual stocks.

Supposing a customer buys one hundred shares of stock at \$105, the broker sells one hundred shares at the same price, the margin that the customer has put up, say ten per cent., the broker has the use of. If the stock goes down to \$103 and the customer fails to sell, the broker, of course, buys and makes the difference between \$105 and \$103, two points besides his commission. If the stock goes up to \$107, the broker, of course, loses two points less his commission. The broker on the percentage, which his commission allows him in the trade, will win at the end. Several trades can be carried in the same way.

What is a BULGE ?

A sudden or sharp, but comparatively small advance in the market.

What is a BULL ?

It is a speculator in Wall Street who believes prices of stocks will rise, and works to secure them. A bull is, therefore, anyone who buys or favors buying stocks, grain, cotton, or any other speculative commodity, expecting to sell at higher prices.

What is a BUSHEL ?

In the different States the number of pounds recorded on 'change in a bushel is fixed by law, generally uniform, but it varies a little.

What is a BUYER'S OPTION ?

When securities are bought on "buyer's option" the buyer may demand delivery of the stock on any day within the time specified by giving one day's notice to the seller. If not "called," the purchaser is forced to take the stock at the end of ten days. The buyer, unless the contract is "flat," pays the seller interest at the legal rate on the price of the stock up to day of delivery.

The New York Stock Exchange rules prohibit any "buyer's" or "seller's" option to be entered into for less than four days or more than sixty days.

What is BUYING ON A SCALE, UP OR DOWN ?

Buying at regular intervals. To illustrate: Buying New York Central at 110, 108, 106, 104 and 102 would be buying on a 2 per cent. declining scale. Selling on a scale is the reverse.

What is the meaning of BUYING ON MARGIN ?

It is for a man to deposit a sum of money with a broker with an order to the broker to buy or sell for him, stocks, or grain, cotton, coffee, etc., to be held until ordered disposed of, or purchased by the man or customer. *Illustration:*

A goes into a broker's office and asks him to buy one hundred shares of New York Central, which is then quoted at par, \$100. If A were to buy the stock outright, one hundred shares of New York Central, at \$100 would cost him \$10,000. But A buys one

hundred shares of New York Central at \$100, and deposits \$500 with the broker, which is five points or five per cent. of the purchase price. The broker holds that stock for A until A orders him to sell it if the stock advances in price. If the stock goes down under \$100, when it has reached \$95, which is five points under par, the broker will sell A's stock unless A deposits an additional sum, which will secure the broker against loss. If the broker sells the stock at \$95, A loses his \$500 and commission and loses all interest in the stock. This illustration shows that buying on margin is just what the word implies, that is, the payment of a margin or part of the purchase price.

What is BUYING OUTRIGHT ?

Purchasing stocks and paying their full value, then taking them away, or leaving them in the broker's possession subject to orders.

What is BUYING OR SELLING AT THE OPENING ?

It means to execute a trade immediately after the Exchange has opened, at the prevailing price.

What is a BY-BIDDER ?

It is one who bids at auction in behalf of the owner for the purpose of advancing the market price of the security or property.

What are CABLES ?

The cablegrams reporting foreign markets. Public cables are received daily by the large exchanges from Europe, and private cables from special correspondents are received daily by private banking and commission stock and grain houses.

What is a CALL ?

A call on a stock or bond is a contract or written agreement in which one person undertakes to deliver to another the security named in the agreement within a specified time at a particular price if demanded.

What are CALL BONDS ?

A call bond contains a clause giving the company issuing the bond the right to redeem the principal as a stated amount on a certain date. Interest on such a bond usually ceases after said right has been exercised.

What is a CALL LOAN ?

A call loan is one payable on call or demand. In Wall Street a very large amount of money is loaned by the banks on call to the brokers, who are supposed to deposit collateral to cover the loan. By the New York Stock Exchange rules a demand for the payment of a call loan must be made before 1 P. M. on any given day, and payment must be made by 2:15 P. M. the same day. Notice must also be given by the borrower of his intention to pay a call loan before 1 o'clock, and the payment must be made by 2:15 o'clock.

What is a CAMBIST ?

A manual describing the moneys, weights and measures of different countries, and their equivalents in exchange, also one versed in exchange values, or a dealer or speculator in bills of exchange.

What are CAPITAL ASSETS ?

All the real and convertible assets of a corporation, divided into fundamental and liquid assets.

What are CAPITAL LIABILITIES ?

They are stocks and bonds, income, debentures and mortgages.

What are CAR LOTS ?

The number of cars of various grains received and inspected daily at the leading grain centres of the country.

What are CARRYING CHARGES ?

The interest paid by purchasers of stocks on the amount represented by the difference between the margin deposited and the market value of the stock. Sellers of "short" stocks, as a rule, are not obliged to pay interest charges, as these devolve on the traders who buy on a margin. Carrying charges on grain consist of storage, interest and insurance. They are always represented by the excess of the price for future delivery over the cash price of any commodity. Example: If September wheat is 4 cents higher than cash wheat, the 4 cents represents warehousing and

insurance, or "carrying charges" up to the expiration of the option. Should the cash market decline 1 cent by September, the short seller makes 5 cents profit; if it advances 3 cents, his profits are one cent.

What is meant by the term CARRY STOCK ?

It means to hold stock with the expectation of selling it at an advance should the market advance.

What is meant by the term CASH ?

Stock bought "cash" means that the contract entered upon shall be fulfilled by payment and delivery of stock at or before 2:15 P. M., according to Stock Exchange rules, on the day of the sale.

What is CASH GRAIN ?

Grain purchased or sold for immediate delivery, or that may be delivered during the current month.

What are CATS AND DOGS ?

Worthless securities. Usually applied to mining flotation prospects.

What is a CENTAL ?

A term applied to a hundredweight, or 100 pounds avoirdupois.

What is a CENTIME ?

It is a monetary unit used by France and Belgium; about the 1-100th part of a franc; 5 centimes approximately equal 1 cent of American money. The Paris and Antwerp quotations are cabled in centimes.

What is a CERTIFIED CHECK ?

A check drawn on a bank, having a written endorsement on its face, the signature of the bank paying teller or cashier, certifying to the signature of the drawer and to the fact that the latter has sufficient funds on deposit with which to pay the check.

What is meant by 'CHANGE ?

An abbreviation for exchange, applied to stock and grain exchanges.

What are CHANGING EIGHTHS AND QUARTERS ?

Applied to scalpers or quick traders who speculate in stocks and take small profits in eighths and quarters.

What is a CHARTER ?

A certificate of incorporation of a company conferred by act of legislature which allows it to do

business along lines as specified in the charter, which usually defines the general purposes and limits the power and privileges of the corporation.

What is a CHECK COLLECTION CHARGE ?

It is a charge made by banks for the collection of funds due on checks drawn on out-of-town banks. Many banks accept out-of-town checks for collection only.

What do the initials C. I. F. stand for ?

Charges, insurance and freight paid or included.

What is a CIPHER CODE ?

A compilation of words which signify phrases, sentences and numbers, specially applied so that telegrams and cables can be sent economically and privately. There are several different code books in use.

What are CLEARANCES ?

Freight shipped by water and cleared from interior of coast ports.

What are CLEARING HOUSE CERTIFICATES ?

They are certificates issued by Clearing House Associations in a time of emergency or monetary stringency against collateral approved by a loan committee.

What is a **CLIQUE** ?

A combination of operators, controlling large capital used in order to manipulate or influence the market up or down.

What is a **CLOSE CORPORATION** ?

An incorporated company, the stock of which is held by a limited number of persons and is not in the hands of the public. Usually in a close corporation there is an agreement or understanding among the few stockholders whereby each is prohibited from disposing of or selling his interest without the consent of the others.

What are **COALERS** ?

The leading railroads known as coalers are the Delaware, Lackawanna & Western, Delaware & Hudson, Jersey Central, and Reading.

What are **COLLATERALS** ?

Stocks deposited with banks or brokers as security when money is borrowed, or to secure a margin account.

What is **COMMERCIAL CREDIT** ?

It is the basis of credit established by commercial agencies such as Bradstreet, Dun and others.

What is **COMMERCIAL PAPER** ?

Commercial paper means acceptances and promissory notes. Acceptances are drafts or bills of exchange which have been accepted. In large cities there

is a great deal of business transacted in buying and selling commercial paper. Individual dealers buy from makers at one rate of discount and sell to banks and other dealers at a lower rate. Negotiable notes drawn by merchants and accepted for discount by banks. High-class commercial paper is considered a good investment.

What are COMMISSIONS ?

Brokers' fees or charges for executing buying and selling orders.

What are COMMISSION HOUSES ?

Houses buying and selling stocks only for customers. They do not speculate for their own account.

What is a COMMITMENT ?

It is an act of engagement or pledging in the market among brokers. A verbal agreement to buy or sell at a certain price.

What is a COMMON CARRIER ?

Any railroad or steamship line undertaking to transport goods for the public is a common carrier, and as such is liable for losses and injuries to goods, except as specified in the carrying contract, or from carelessness of the owner of the property carried, etc.

What is a COMPARISON ?

At the close of the Stock Exchange, brokers' messengers compare the day's transactions. If John Doe sells 100 shares of New York Central to Robert Evans

at 115, John Doe's messenger goes to the office of Robert Evans and compares the transaction. Robert Evans' messenger makes a trip to the office of John Doe, so, if any mistake or friction has occurred, it is adjusted before the Board opens on the day following.

What is CONDUCTING TRANSPORTATION ?

It refers to a railroad report item that includes all expenses in connection with the business of hauling, transporting, or storing.

What is meant by CONSIGN ?

It is the act of sending goods to an agent or representative, usually to be sold. The goods are a consignment; the sender is the consignor and the receiver is a consignee.

What is a CONSOL ?

The term is an abbreviation of consolidated annuities. It is specifically used in England in connection with the funded debt of Great Britain. The debt of England is in the form of stock representing a consolidation of various loans, and, therefore, is commonly known as English Consols. This public debt, representing nine different loans in 1851, was consolidated into 3% stocks or in bonds. In 1888 the 3%s were converted into $2\frac{3}{4}\%$, and in 1903 the rate was reduced to $2\frac{1}{2}\%$.

What is the meaning of CONTANGO ?

It is a London Stock Exchange term and refers to the rate paid for carrying shares from one settlement day to another. If a broker desires to continue shares or to postpone the day of delivering, he pays a premium. In the seller's case such a premium is called Backwardation, but in the buyer's case it is called Contango.

What are CONTINENTAL MARKETS ?

The markets of Paris, Berlin, and Antwerp are classed as such.

What is meant by CONTRACT GRADE ?

The grade of wheat delivered in fulfillment of future contracts must be up to contract grade.

What is meant by CONVERSION ?

Sometimes bonds are issued with a proviso which makes them exchangeable for their equivalent in stock. Bonds of this character are known as convertible bonds, and their exchange for stock is termed "conversion."

What are COPPERS ?

The copper mine stocks are referred to as Coppers in the market.

What is a CORNER ?

A corner in a stock is made possible by the purchase of all the outstanding stock of a company. Then quotations can be advanced at the will of the opera-

tors. Corners in stocks are not frequent nowadays. When one is engineered it is worked against a short interest. The usual method is for the owners of the stock to loan it freely, circulate depressing news, sell the stock down and induce speculators to sell it short. As soon as a large short interest is created, stock loaned. is recalled, and those who have short contracts outstanding must purchase the stock to cover their deliveries at the prices determined upon by the men who operate the corner. In grain dealings, where the purchases of operators are in excess of contract grain in the regular warehouses on the final delivery day of the month for which such purchases have been made, the grain in question is cornered. Several tremendous corners have been operated on the Chicago Board of Trade and the New York Cotton Exchange.

What is a CORPORATION ?

An artificial creation by law, consisting of one or more persons united in one body under certain grants to secure a succession of members without changing the identity of the body; being empowered to act in a specified capacity, or to transact some designated business the same as an individual. A close corporation is one in which vacancies are filled by the corporation itself. A sole corporation consists of a single person at any one time, vested with certain legal capacities and powers not otherwise possessed. A joint stock corporation is one in which the ownership of the stock is divided into shares.

What is meant by **COTTON FUTURE** ?

It is an option on a future month traded in by buyers and sellers of cotton at a certain premium or discount under the price of spot cotton. At the expiration of a future contract, the cotton is delivered and then becomes spot cotton.

What is **SPOT COTTON** ?

It signifies the staple article of a certain grade which is ready for actual delivery to the consumer on purchase.

What is a **COUPON** ?

In Wall Street coupons are understood to be the obligations for interest on bonds. They are a printed part of the bond, attached in ticket form so that they may be conveniently cut off as the interest becomes due.

What is a **COUPON BOND** ?

It is a bond payable to bearer without registration of the owner's name, carrying a coupon covering the interest which is clipped at each interest period, and deposited for collection, the same as a check, or presented for payment at the office of the corporation issuing the bond or the corporation's agent. Railroads and other corporation bonds sold to investors are usually coupon bonds. Coupon bonds are much more available for speculative dealings and for selling generally, and as a rule are quoted at slightly higher prices than registered bonds for the simple

reason that a change in ownership involves no formal transfer beyond the mere delivery of the bond itself. Sometimes they are convertible into registered bonds and vice-versa.

What is COVERING OF SHORTS ?

When stock has been sold and the market advances, the seller, to protect himself, buys where he can in order to make delivery. This is called "covering short sales" or "running to cover," at a loss. If, however, the stocks decline, then they are bought in at a profit, which process is also covering one's shorts.

What is a CRAZE ?

When one has an extravagant desire to buy or sell, he is said to have a craze. It is a common disease in Wall Street.

What is meant by CREDIT MOBILIER ?

It was a financial institution incorporated in France in 1852 to place investments on security of personal property, and for general financial operations. The one chartered in Pennsylvania in 1863, which undertook the construction of the Union Pacific railroad, and collapsed amid a political scandal involving many prominent financiers and politicians, was a Credit Mobilier.

What is a CROSS TRADE ?

When a broker has an order to buy and sell stock at the same price, the fulfillment of the orders by entering one against the other is called a cross trade.

Such trading is not sanctioned, and to legalize the transactions, the broker makes a nominal purchase and sale through another broker.

What is the CURB MARKET ?

The curb market consists of a number of brokers in miscellaneous and unlisted stocks and bonds who do most of their trading in Broad Street, just below the New York Stock Exchange. Usually these brokers are the representatives of Stock Exchange firms, but many are independent, dealing in mining securities.

What are CURBSTONE or CURB BROKERS ?

Some years ago the name was applied to speculators who carried their offices in their hats, buying and selling puts and calls. Now, however, more dignity is attached to the name as it includes all those brokers who deal in New York's curb market. Curb brokers are not necessarily members of any recognized exchange.

What are CURRENT ASSETS ?

A term used in connection with the balance sheet of a railroad or other corporation distinguishing the so-called shifting or changeable assets from capital assets. In steam railroads, current assets usually include cash on hand, loans, bills and accounts receivable, amounts due from other companies and individuals, companies' agents, and advances to other companies, etc. The "capital assets" as distinguished from the "current assets" include cost of road and equipment, permanent investments, etc.

What are CURRENT LIABILITIES ?

Current liabilities of corporations or railroads include loans and bills payable, accounts payable, pay-rolls and vouchers, interest and dividends accrued, amounts due to other companies, etc. Capital liabilities on the cover capital stock, bonded debt, mortgages, etc.

What is meant by CUTTING A MELON ?

When a corporation makes an extra distribution to its stockholders, either in the form of an extra large cash dividend or stock dividend, it is remarked that the company is "cutting a melon."

What does the sign d. mean ?

It stands for an English penny ; equal to about two American cents.

What are DAYS OF GRACE ?

They are the three days directly following the maturity of a note or bill, and in some States allowed debtors by law as an extension in which to make payment.

What is a DEAD ONE ?

A term used to define a bankrupt in the market.

What is a WALL STREET DEAL ?

It is when a combination of men enter into a secret agreement or form a pool to depress or advance a stock or group of stocks, for the purpose of making money out of other speculators. Such an operation is called a Wall Street deal.

What is a DEBENTURE ?

A debenture, or, in other words a debenture bond, is simply a certificate of indebtedness or promise to pay, issued by a corporation. It is not a mortgage bond. Usually it differs from the average income bond as it contains a promise to pay a certain amount of interest at stated periods. While an income bond may be a mortgage and not a "debenture," an income bond cannot be foreclosed before maturity, which may be a half century away, which makes the position of the principal of the two classes of bonds practically the same.

What is a DEFAULT ?

A default on a bond is the failure to pay the interest or principal when due. Usually a default furnishes ground for application for a receivership, although in some instances mortgage bonds carry a clause not allowing the holder to begin foreclosure proceedings until the bond has defaulted over a certain stated period.

What are DEFERRED SHARES ?

The stock of a corporation which are depending on some future event to realize a dividend. For instance, when the net earnings shall have amounted to more than enough to pay a dividend on the common stock, then the deferred shares come in for a dividend. Such shares are not usual.

What is a GOOD DELIVERY ?

When a certificate of stock has been properly transferred and the signature of the holder has been

properly filled in and witnessed by a member of the Stock Exchange, or a firm in good standing, the stock is a good delivery. Bad deliveries are so termed when the rules governing good deliveries are violated. Sometimes coupons attached to bonds are worn or mutilated so that they are bad deliveries. New shares or bonds are then necessary, if they are demanded.

What is DELIVERY DAY ?

A term known in grain trading. It is the first business or trading day of the month. However, as all sales are at seller's option, he may deliver the grain on any day of the month for which it has been sold, and is not confined to delivery day.

What is a DEMURRAGE ?

When railroad freight cars or shipping vessels are detained beyond the time allowed for loading or discharging freight, a charge for this loss of time is made. This is called demurrage.

What is meant by DIFFERENTIAL ?

It relates to a lower rate or a decrease of the scheduled price which railways, having a common tariff, allow a road in the combine to make in order to stimulate traffic, if acceptable to Inter-State Commerce Commission.

What is a DISCRETIONARY ACCOUNT ?

Used in stock speculation and signifies an account intrusted to the discretion of the broker with whom it is open. Most reputable brokerage houses dislike discretionary accounts and refuse to accept them.

What is a DISCRETIONARY POOL ?

A powerful pool is formed sometimes to depress or advance a certain stock or stocks, and its direction is left to the discretion of one or more members who represent the interests of all the members. So-called discretionary pools have at times been formed by unscrupulous speculators who, working on the weak minds of the credulous, have obtained money from various sources, ostensibly to be used in a pool and speculated with at the discretion of the promoter of the pool. Such pools should be avoided by the public and literature received from any so-called firm, outlining a discretionary pool, should be thrown in the waste basket.

What is DISCOUNT ?

Interest allowed for advancing money on negotiable securities not yet due; the deduction allowed or counted off from the face amount of the securities, either due or to become due, at the time money is advanced upon them. (2) An amount deducted from a sum owing or to be paid; anything counted off or deducted, as a discount of 10 per cent. (3) The act of discounting, as a draft deposited for discount; or the rate of discount. Notes drawn for 30, 60, 90 days at a given rate of interest are frequently discounted.

What is a DIVIDEND ?

A dividend is the stockholders' share of the divisible profits of a corporation, usually paid to him in cash at certain stated periods. Various conditions exist under which dividends are paid; in many cases they

are not paid in cash. A "scrip" dividend is one payable in scrip, which is a small certificate bearing interest at the legal rate, usually convertible into stock, but carries no voting power or dividend until converted into stock. A stock dividend is one payable in the stock of the company, being large enough to enable the holder to receive a full certificate and not fractions or scrip. Cash dividends are usually paid by check to the owner of the stock, in whose name the certificate stands. If the owner of the stock has failed to have his certificate transferred to his name on the books before foreclosing, the dividend is paid to the former owner, who must in time pay it to the new owner. A speculator who is short of a stock when a dividend becomes due is obliged to pay the amount of the dividend to the real owner.

What are ACCRUED DIVIDENDS ?

If a 6% dividend on a stock is payable semi-annually January and July 1st, the amount of accrued dividend on a given date, such as April 1st, will be $1\frac{1}{2}\%$, the proportion of the regular dividend which is not yet due. Cumulative dividends which have not been paid when due, but have accumulated, are sometimes called accrued dividends, but the correct term is "accumulated dividends." A cumulative dividend is not an accrued dividend.

What are ACCUMULATED DIVIDENDS ?

They are cumulative dividends which have not been paid as they fell due. In many corporations,

particularly industrials, there are issues of preferred stocks on which the dividend charge is so heavy that the corporation is not able to earn and meet the payments. The amounts of dividends, therefore, have accumulated and ostensibly should be paid some day. Usually when dividends of this kind, or portions of dividends, have accumulated over a series of years and there is little prospect of the corporation being able to liquidate the back payments, some plan is submitted to the stockholders by which the accumulations are paid, frequently in securities of some sort, then the dividend rate is reduced for the future. The cumulative clause in a stock is really not of a great deal of value if the corporation cannot in some way earn sufficient money to pay the full dividend.

What are CUMULATIVE DIVIDENDS ?

This term carries the same meaning as accumulative dividends.

What is an EX-DIVIDEND ?

A term signifying without or not including a dividend. Dividends on stocks are generally declared payable on a certain day after the closing of transfer books. It may be five days or any other number. During this period the stock cannot be transferred from one name to another. Therefore, it sells at a new price, usually measured by the amount of the dividend declared, on which the books have closed. Unless otherwise arranged, no stock transferred while books are closed will carry the dividend, as it goes to the owners of stock of record prior to the closing of the books.

What does DOMICILIATED mean ?

It is negotiable paper payable in a place other than where it is drawn and is said to be domiciliated where payable.

What is a DRAWBACK ?

A shipping term referring to rebates given by railroads from regular freight rates to favored customers.

What is a DRIVE ?

It is an attempt to force prices down. "The bears made a drive at the market," is a familiar expression.

What is a DROP IN THE MARKET ?

The equivalent of a break, though a drop is usually due to natural causes, and is not so extreme as a break.

What is a DUCK; DEAD DUCK; LAME DUCK ?

They are London Stock Exchange phrases seldom heard in Wall Street. A "duck" is a broker. The "lame duck" is a broker who fails to meet his engagements, and a "dead duck" is a broker who is down and out, past all recovery.

What is EARLY INFORMATION ?

"Early information and a big bank roll will 'break' the best man that ever came to Wall Street," is a saying in Wall Street that is a classic.

What do the letters E. and O. E. abbreviate ?

Errors and omissions excepted.

What are ENGAGEMENTS?

It refers to ocean and lake vessels chartered for grain transportation. They are termed engagements.

What is an EQUITY ?

Equity in a property is the difference between the selling value of the property encumbered and the amount of the obligation. The equity in a loan is the difference between what the securities pledged as collateral are worth, and the amount borrowed on them. Securities are, as a rule, accepted by financial banks as collateral at about 75% of their market value. The difference, of course, is between the market value of the securities and the amount of equity.

What are ESTIMATED CAR LOTS?

Lots that are expected at the primary grain markets on any day following an estimate.

What is an EXCHANGE ?

The word "exchange" in a financial sense refers to the payment of an obligation in one city by the transfer of a credit from another city. The obligation is discharged without the direct borrowing of money. The exchange itself is an order obtained in one place for the payment of money in another place. There

is no practical difference between a "bill of exchange" and a "draft." The term "bill of exchange" is ordinarily applied to an order for money payable in a foreign country, but the term "draft" is used to specify an order for domestic use or payable within the country of its origin. Used as an abbreviation of Stock Exchange.

What is EXHAUST PRICE?

The point at which your margins are exhausted in a short sale, and the point at which your broker must close or sell you out, if you do not renew your margins.

What are EXPORTING COUNTRIES?

Grain producing countries which raise more wheat than they consume and sell the surplus to foreign countries. The United States, Argentina, Russia, Hungary, India, Roumania, and Australia are the leading exporting grain countries.

What is the meaning of EX-RIGHTS ?

A stock sold "ex-rights" conveys the buyer no privilege to participate in any right that recently may have been granted to the stockholders.

What is the meaning of EX-STORE ?

The opposite of the grain term "Free on Board." It means that when the prices quoted are "ex-store" for goods in stock, the shipping expenses are defrayed by the buyer.

What are FANCY STOCKS?

They are new stocks quoted at fancy or high figures. Stocks that are notorious for manipulation and very speculative.

What is the FISCAL YEAR?

It is the financial year of a corporation business or national treasury, at the end of which the accounts are balanced. In the United States the "fiscal year" closes on June 30th.

Which are the FIVE PORTS?

Boston, New York, Philadelphia, Baltimore and New Orleans.

What are FIXED CHARGES?

In a railroad report they are: (1) Interest on funded debt; (2) interest on floating debt; (3) rentals; (4) taxes, and (5) sinking funds. It represents the profits of the corporation after all prior charges have been met, all expenses paid, and its maintenance sufficiently provided. Out of the surplus dividends are paid on the stocks of the company. There should also be deducted depreciation not covered by operating expenses, such as depreciation of investments held, bad debts, etc. What remains after this is done becomes "surplus," and is added to "profit and loss" or "surplus income account." One that becomes due regularly and permanently at stated intervals.

What is meant by **FLAT**?

It means without interest. When stock is borrowed by bear traders, it frequently lends "flat" or without interest. The rate of interest is regulated by the floating supply and demand. If many brokers are carrying a certain stock, they are anxious to lend it at a rate of interest slightly below the call loan rate. If, however, many traders have sold a stock short, and it is scarce, the bears are willing to borrow it without interest. If the stock is cornered, the bears are forced to pay a premium for it. Bear traders are usually paid interest on the stocks they borrow.

What is a **FLOATING DEBT**?

A floating debt is unfunded indebtedness; indebtedness not represented by permanent security. Floating debts of railroads or corporations consist of money directly borrowed, money owed for miscellaneous purposes, and money payable within a short period.

It is the general unfunded indebtedness of a nation, State or corporation.

What is a **FLURRY**?

It is a sudden and big decline in the market causing much excitement.

What is a **FLYER**?

It is the speculative purchase or sale of an occasional lot of stock or grain ostensibly for a quick profit.

What do the letters F. O. B. mean ?

Free on Board. When goods are purchased it means that the shipper delivers them to the cars or boat with no charge for handling or cartage.

What is the meaning of FORCING QUOTATIONS?

When brokers wish to keep the price of a stock up, to prevent its fading out of sight, quotations are forced by small sales or by washing.

What is FOREIGN EXCHANGE ?

Foreign Exchange means the payment of an obligation in a specific point in one country by the transfer of a credit from a specific point in another country with a bill of exchange as between New York and London.

A New York dealer usually pays for goods bought in Paris or London with a bill of exchange or draft purchased from a bank or banker in New York. This is payable by the bank's correspondent in London or Paris. It is payable in French or English money as required.

Bills payable on demand or sight are called sight bills; bills payable in ten to thirty days are called short bills; bills payable in sixty days or in a longer period are called long bills. There are also cable transfers by which money or a credit may be transferred by cable, usually referred to as cables. Bills drawn by home banks or bankers against their correspondents or credits abroad, are called bankers'

bills. They include letters of credit. Bills drawn against shipments of commodities or manufactures are called commercial bills. Grain bills are drawn against grain shipped, and cotton bills against cotton shipped.

What are FOREIGN PORT STOCKS?

They are stocks of grain in warehouses at the leading ports of Europe.

What are FRACTIONAL ORDERS OR LOTS ?

The units of speculation on the leading stock exchanges and the Chicago Board of Trade, are 100 shares of stock and 5,000 bushels of grain. Orders for smaller amounts are called fractional lots.

What is a FRANCHISE ?

A franchise is a privilege conferred by grant from a national, state or municipal government to a corporation or an individual, giving the right to construct a railroad from one point to another, to operate the same over a given period of years, constitutes a franchise. A privilege given to a street railway, gas or electric light company, water company or telephone company to operate on certain streets or within certain limits for a given period, constitutes a franchise. Franchises in modern times are very largely capitalized.

What is a FREE PORT?

A port of entry where cargoes of foods can be landed free of customs duties.

What is the meaning of **FROZEN OUT**?

If a marginal trader is sold or closed out, owing to refusal or being unable to put up more margin, he is referred to as "frozen out."

What is **FUNDED OR FUNDING** ?

When floating debts are converted into a permanent loan or bonds, payable at a future time with interest, they are said to be funded.

What is a **FUNDED DEBT** ?

The "funded debt" of a corporation usually is one running many years and represents one or more issues of bonds. It is distinguished from the "floating debt" chiefly by its relatively permanent character. A floating debt may represent capital which has been borrowed for permanent uses, but a "funded debt" is nearly always for such a purpose. "Funded debt" is applied to the liabilities of the British government, such as have been issued in the form of permanent long-dated securities. The "floating debt," which is in the form of exchequer bonds and treasury bills is regarded as temporary. Such a distinction, however, is not always intelligent, as the English War Loan issued in 1900, and payable in 1910, is classed a floating debt, but should be called a funded debt.

What is a **FUNDING SYSTEM**?

A system of public finance which has for its purpose converting floating indebtedness into a funded debt.

What are FUTURES ?

Almost all speculation in stock, grain and cotton is on futures. Men who buy cash grain protect themselves against loss by selling a specified amount for future delivery in a general market. Contracts of this kind are called "futures," as they do not terminate until a future month. In an active speculative market these futures may pass through many hands before they expire.

What are GENERAL EXPENSES?

In railroad reports items which include salaries of general officers, clerks, law expenses, insurance, etc.; they are usually the least important of the railroad operating charges.

What is meant by GIVE UP?

When the messenger of a "\$2" or "special" broker, or a curb broker makes a comparison, he gives up the name of the principal who will receive or deliver the stock compared. This is a guarantee of good faith.

What are GOLD CERTIFICATES?

Gold certificates are not legal tender, but are received for all public dues. They are issued by the Treasury in notes of \$20 and upward against gold coin deposits. Silver certificates are issued against silver coin deposits.

What are the GOULD STOCKS?

Missouri Pacific, Western Union Telegraph and Texas Pacific are the chief properties in which the members of the Gould family are interested.

What are GOVERNMENT REPORTS?

A series of reports issued monthly by the Department of Agriculture. They tell the acreage, condition and yield of the various crops.

What are GRANGER RAILROADS ?

A name given by Wall Street to western railroad systems. They are called "granger roads," because of a wide agitation years ago by the State Granges. The grange agitation was of national interest and for a long time affected the position and earnings of the Burlington, St. Paul, Northwestern, Rock Island, and Chicago & Alton, etc. From this they came to be known as "granger roads."

What are GUARANTEED STOCKS ?

Stocks of roads leased to other roads frequently have their dividends guaranteed by the lessee.

What is GUNNING A STOCK?

To use every artifice to produce a "break" when it is known that a certain house is heavily supplied with certain stock or stocks and would be unable to resist an attack; any effort made to force longs to sell or shorts to buy.

What is the meaning of A HARD SPOT?

A strong stock or stocks featured in the market, holding up unusually well, despite a weak or heavy market in respect to the remainder of the list.

What is a HECTOLITRE?

One hectolitre equals 2.83 bushels, or the unit of grain measurement in France.

What is HEDGING?

To lessen one's line of stock in order to minimize a loss is termed hedging.

What is meant by a HOLDING COMPANY?

It means the same as a security company. For instance, a corporation which owns the securities of other companies or corporations, depending for its income on the interest and dividends from such. The most noted of holding companies in railroad circles was the Northern Securities Co., dissolved as being illegal by the United States Courts. It planned to hold the stocks of Great Northern and Northern Pacific Railroad Companies, and probably other companies. A holding company is sometimes an operating company. The Pennsylvania Railroad, the New York Central Railroad, the New Haven, Union Pacific, Baltimore & Ohio, Illinois Central, etc., are both holding and operating companies.

What is HONEYCOMBED WITH STOP ORDERS ?

A market which contains many stop loss orders placed by marginal traders, a dangerous position for those who have placed them.

What does HOLDING THE MARKET mean?

Moderate purchases that are skilfully distributed for the purpose of keeping a market from declining.

What is meant by HYPOTHECATION ?

The pledging of securities or other possessions as collateral for loans. When securities are pledged for a loan the title to them for the time being is held by the bank, or lender making the loan. The London Stock Exchange stock classes securities pledged as collateral as "pawned."

What is "I HEAR," "I UNDERSTAND," "THEY SAY" ?

They are favorite expressions among Wall Street tipsters who never say "I know" that such and such a thing will happen, but preface their tips, points and advice with "I hear," "I understand," or "They say." The qualification gives them a loophole for escaping responsibility, and the air of secrecy preserved suggests that the tipster has some inside information.

Which are IMPORTING COUNTRIES?

The leading grain and food stuff importing countries are Great Britain, France, Germany, Italy, Holland, Belgium, Spain, Brazil, West Indies, China and Japan.

What is an INCOME ACCOUNT ?

It is a revenue account, and with most corporations it includes such items as gross earnings, operating expenses, net earnings, income from other sources, fixed charges and other deductions for dividends, dividend charges and surplus.

What is an INCOME BASIS ?

The income basis of an investment is the percentage of return on the prevailing price. A stock paying 6% on par of 100, bought at 110, yields 5 5-11; therefore, this stock at 110 is on a 5 5-11 "income basis."

What is an INCOME BOND ?

A bond supposed to be a lien on the net income or earnings of a corporation after all prior charges have been paid. It receives interest only when earned, and is similar in its position to a preferred stock, except that a preferred stock usually has voting power. An "income bond" is not necessarily a mortgage, but when it is, cannot be foreclosed before maturity, provided the interest payments on earnings are complied with.

What are INDUSTRIALS ?

American Sugar Refining, Federal Steel, American Steel and Wire, Standard Oil, American Tobacco,

National Starch, Cordage, Rubber, Linseed Oil and other similar, listed securities are known as the industrials.

What is an INSIDER?

One who owns the controlling interest of a stock in a railroad or industrial company and shapes the course of prices.

What is IN SIGHT ?

It is a term applied to grain, cotton and coffee, etc., available for immediate use.

What is an INSPECTION ?

In Chicago, grain shipped in is inspected and graded by sworn inspectors under the rules of the Board of Railroad and Warehouse Commissioners. If the inspections are not satisfactory, appeals may be taken to the Board of Trade's Inspection Committee.

What is INTEREST ?

Interest is the usury demanded for loans made. It is regulated by law in most States, but fluctuates according to the demand for money. In Wall Street financial banks, interest on call loans sometimes runs very high. Such transactions are not recognized by commercial banks and institutions, dealing with purely commercial or industrial houses or corporations.

What is the meaning of EX-INTEREST ?

Without or not including interest, and usually applies to bonds. Registered bonds sell "ex-interest"

in the same way that stocks sell "ex-dividend" when the books are closed. In the case of coupon bonds the term "ex-coupon" is used in the same sense. In coupon bonds no books are closed. The bonds sell "ex-coupon" from the day that the coupon is paid.

What is ACCRUED INTEREST ?

The amount of interest on a bond or debenture stock which is not yet payable, but has accrued over a given period of time beyond the last regular payment. If the interest on a 4% bond is payable semi-annually, January and July 1st, the amount of accrued interest on the bond on April 1st, the first quarter, would be exactly 1%, and would amount to \$10 on a \$1,000 bond. Many bonds are quoted "with accrued interest" and sold on this basis, particularly unlisted issues, municipal bonds, etc. Most of the issues quoted on the stock exchanges are sold "flat;" in other words, the accrued interest is not separately figured but is included in the price.

What is INVESTMENT BUYING ?

Buying by persons who intend to hold their purchases for a long time, ordinarily purchased for the dividend returns or to secure control of a security.

What is INVISIBLE SUPPLY ?

Grain not included in the official statement of visible supply, remaining in the farm or private granaries.

What is an INVOICE ?

A statement or account furnished by the shipper of goods to the receiver.

What are IRISH DIVIDENDS ?

An assessment on stock is known as an "Irish Dividend," by jokers. It is a traditional facetiousness.

What is an IRREDEEMABLE BOND ?

A continual bond which cannot be redeemed or paid off, the interest goes on forever. Such issues have been made by European governments and municipalities, but they are very rare in this country.

What does IRREGULAR mean ?

If one group of stocks advances and another declines at the same time, the market is technically described as "irregular."

What does JETTISON mean ?

When a ship at sea is in danger sometimes it is necessary to relieve the vessel of part of her cargo. When the cargo is thrown overboard it is said to be "jettisoned."

What are JOBBERS ?

A term not much used in Wall Street, but well known on London 'change, where a "jobber" is equivalent to an "operator."

What is a **JOINT BOND** ?

A bond, the payment of the principal and interest of which is assumed by two or more parties or corporations jointly bound. Such issues are frequent among railroad bonds.

What are **KAFFIRS** ?

The London Stock Exchange name for all shares of South African mining, land, industrial and other companies.

What is meant by **KANGAROOS** ?

The London Stock Exchange name for shares of all West Australian mining, land, industrial and other companies.

What is a **KILO** ?

It is the unit of measurement employed by Germany and Belgium; 100 kilos are equal to 3.67 bushels.

What is **KITE-FLYING** ?

It is expanding one's credit beyond safe limits.

What is meant by the term **KITING** ?

Kiting, simply stated, is making a fresh obligation to pay a prior one. The commonest form is by checks. A depositor in a bank may issue a check exceeding his balance. He makes out another check, gets it cashed at another bank or by some friend, and deposits the cash in his bank in time to meet the first

check. Sometimes two or three days elapse before his second check reaches his bank, during which time he makes another check, cashes it, and deposits the money in his own bank, etc.

A person engaged in "kiting" may arrange to exchange checks with one or more persons having accounts in different banks or living in different cities, and thus enlarge the circle of his operations.

What is a £ ?

An English pound sterling is equivalent to \$4.86½ in our money.

What is a LAMB ?

A novice in Wall Street. The general speculative public are lambs.

What is a LEGAL TENDER ?

The medium of exchange designated and legalized by law for the payment of debts; current funds. Money stamped and guaranteed by the government.

What is a LIEN ?

It is a legal claim on property as security for a debt. A bond of any kind carrying possession or control.

What is a LIMIT ?

To limit a trader's profits or losses, a limit price below or above the purchase or selling price is made at which to close a transaction.

What are LIMITED CORPORATIONS ?

Corporations in certain States of this country and abroad at times employ the word Limited, to signify that their stockholders are exempted from personal liability under the law which makes such provision. "Limited" corporations are more common in England than in this country.

What is a LIQUIDATING MARKET ?

When a market declines from forced sales by holders of stock, it is called liquidation. It is usually attributable to excessive speculation. A "liquidating market" might be accompanied by rising prices due to the purchase of short stock, but such a condition would be unusual and the term is accepted as referring to a declining market which results in the establishment of new low price levels.

What are LISTED STOCKS ?

Stocks which have been included in the regular list of some stock exchange being admitted to dealings on the exchanges. In the New York Stock Exchange there are two classes of stocks, listed and unlisted securities. Certain rules must be complied with by the company making the application before a stock can be listed. These rules bear particularly on the financial statement submitted. Unlisted securities are not obliged to submit details regarding their earnings or financial condition. The method of dealings on the floor of the exchange does not materially differ between listed and unlisted securities.

How do LISTED and UNLISTED STOCKS differ ?

On stock exchanges securities are divided into listed and unlisted stocks. The company having listed stock is required to furnish a balance sheet and full information, particularly regarding new issues of stock and bonds. Unlisted stocks may be dealt in if a broker requests that dealings in a certain stock be allowed among the unlisted shares. Such a petition is usually granted, and the exchange does not concern itself with the company's financial affairs other than obtaining formal statements of the outstanding stock and bonds.

What are LLOYDS ?

An association of English underwriters of marine insurance for the collection and distribution of maritime intelligence and the protection of their common interests and credit. The corporation requires from each firm of underwriters security to meet its obligations, and prints Lloyds' lists and other publications compiled from the reports of its agents in all parts of the world.

Various forms of insurance are written by Lloyds, particularly on the lives of noted men. Before any great event the public are allowed to take out policies on the lives of jeopardized persons.

What is LLOYDS REGISTER ?

It is a list of sea-going vessels of all nations classified according to seaworthiness by a British association of shipowners, shippers and underwriters. An Inspection of hulls, engines, etc., is maintained by them.

What is a LOAD ?

To "load" one's self with stock is to buy very heavily, almost if not quite to the point of danger.

What are LOCAL TRANSPORTATIONS ?

Metropolitan-Interborough, Manhattan, Third Avenue and Brooklyn Rapid Transit, are known on the New York Stock Exchange as the local transportation groups.

What is a LONG ACCOUNT ?

It designates a stock or other account on the broker's ledger showing one or more purchases made and held for a rise in the price of the security purchased. A "short account" is just the reverse, designating as sold "short."

What is a LONG INTEREST ?

The total amount of stocks held by investment and margin purchasers, to wait for a rising market.

What is a LONG MARKET ?

It is an overbought market, when the buying contracts for future delivery exceed the probable demand.

What are LONDON QUOTATIONS ?

London and New York prices sometimes differ considerably. Under ordinary conditions the loss of interest on the money or stocks when in transit and cost of exchange would represent the difference. The quotations in each city are consequently specified.

What is MAINTENANCE OF EQUIPMENT ?

An item in a railroad report specifying charges necessary to keep all the company's rolling stock, marine equipment and repair shops in good condition.

What is MAINTENANCE OF WAY AND STRUCTURES ?

An important item of railroad operating expenses, including all charges of maintaining the permanent way and structures of the road in good condition.

What is the meaning of MANIPULATION ?

A term applied in speculation to the various operations employed in moving quotations up or down in the market. Various methods are employed for affecting the prices of securities, such as dissemination of reports, sometimes true and sometimes false, to affect the prices of particular stocks; circulation of rumors, coloring of news or suppression of facts. In Wall Street these rumors are often most potent in affecting stock quotations. There are more positive ways of manipulating prices, such as by "wash sales." "Washing" consists of buying and selling a security at the same price and time. The operator desires to advance a stock in price, so gives to one broker an order to bid the stock up; that is, the broker is instructed to offer to buy a certain amount of stock, bidding for each lot $\frac{1}{8}$ of one per cent. above the last price paid. At the same time, the operator gives another broker an order to sell the same

amount of stock at similar prices. The operator raises the price of the stock without actually buying anything. If the operator desires to depress the price of a stock, similar, but reversed methods are employed. Pools are frequently formed in Wall Street to manipulate stocks.

What is a MARGIN ?

Money deposited with a broker by a customer to buy securities. It is really a payment down on the cost of the securities to secure the broker against loss. The amount of margin required by a broker varies from 5% to 20% of the par value, according to the kind of security dealt in, or the character of trading done. The average margin is about 10%.

Stocks or bonds bought on margin by a broker for a customer, in the absence of an agreement to the contrary, are subject to the order of the customer. A customer has the right to demand delivery of the securities at any time on payment of the balance due on them, including commissions and interest on other proper expenses or charges. Unless there is a specific agreement to the contrary, the broker may, at any time, on giving formal notice, require the customer to "take up" and pay in full for the stocks or other securities which are being carried. If the customer be short of stocks, the broker may demand that he buy the stocks or close his account.

What is the value of a MARK ?

A German coin of the value of 23.8 cents.

What is meant by MARKET IS OFF ?

Any decline from former quotations.

What is a MATCHED ORDER ?

A Wall Street term, meaning an order to buy and sell the same stock; such an order is usually employed for the purpose of artificially raising or lowering the price of a stock.

What is a MERGER ?

The joining by operation of law of a lesser estate, right or liability with a greater one, as where a lower is replaced by a higher form of security, or a smaller company is merged with a larger one.

What is meant by MILEAGE ?

Length or distance in miles. The mileage of a railroad is the length in miles of the railroad itself. Track mileage is the length in miles of the tracks of the railroad, each mile of double track counted as two miles; side track and switching tracks also are counted and included in mileage.

Train mileage is the number of miles traversed by a particular train, or the number of miles, collectively traversed by all trains of a railroad.

Car mileage is the number of miles traversed by a particular car, or the number of miles, collectively, traversed by all cars.

Ton mileage is figured from the number of miles the whole number of tons are hauled. The average

number of miles each ton is transported is ascertained by adding together the number of miles each ton is hauled and then dividing by the number of tons.

Passenger mileage means the number of miles, collectively, traveled by all passengers. The number of miles traveled by all passengers, divided by the number of passengers, shows the average number of miles traveled by each passenger.

What is MILKING THE STREET ?

Cliques of great operators who hold certain stocks and bonds so well in hand that they cause any fluctuations they please in the market, are said to be "milk-ing the Street." By alternately lifting and depressing shares they take all the floating money in the market, in other words, milk it dry.

What is a MIXED LOAN ?

A loan secured by various collateral, such as rail-road stocks; industrial stocks, or other securities, instead of one particular stock.

What is meant by the term MONETARY ?

It pertains to money or finance; used in terms of financial or pecuniary, as monetary convention, monetary union, etc.

What is a MONETARY STANDARD ?

It means the standard of value established by law as a basis for the money of a country. Gold and

silver are the accepted standard to the exclusion of everything else, and the monetary systems of the world are based on one or the other or both together. Gold is inevitably becoming the universal standard.

Great Britain first adopted the gold standard in 1816, and gradually the nations have fallen into line, the United States not until 1900, leaving the Latin countries as the most important representatives of the double standard. The use of silver is practically confined to the Far East, to Mexico, and some parts of Central and South America.

What is a MONEY BROKER ?

A dealer in coin and paper money, in foreign money, and one who borrows and lends money for others.

The regular commission of a money broker for negotiating a time loan (a loan for a specified time) is $\frac{1}{32}$ of 1% of the amount borrowed; the commission is to be paid by the borrower.

A "money broker" usually receives nothing from the borrower or the lender for effecting a call loan. The reason is that a call loan may continue for a day only. The broker uses the free negotiation of call loans to bring business to him.

What is the MONEY MARKET ?

A term applied to the business and not to the place of lending money.

In this country banks, trust companies and insurance companies are the chief lenders of money, but there are other corporations and not a few firms and individuals who are also lenders.

What are MONEY RATES ?

The term means the rates of interest at which money is lending. There are different rates for call money and time money (on time, that is, loaned for a specified period). The rates for call money are usually lower than those for time money.

What is meant by MONOMETALISM ?

When the currency of the country is based on a single metal, as either gold or silver, it is called "monometalism."

What is a MORTGAGEE ?

The grantee under the mortgage; the one to whom the mortgage is executed, the mortgager makes the mortgage payable to the mortgagee.

What is a MOVABLE EXCHANGE ?

If foreign exchange is quoted and payable in the money of the country where collection is to be made, it is called "movable exchange." Illustration: Exchange on London is quoted in pounds in New York and is therefore movable exchange. The dollar is the basis and the pound fluctuates instead of the dollar in which it is reckoned. "Fixed exchange" is the opposite of "movable exchange."

What is the NATIONAL DEBT ?

National or public debt means the same; the debt of a nation.

The National debt of the United States consists of bonds, United States notes, notes issued prior to

the present United States notes, national banks' notes for the redemption of which, money has been deposited by the banks, fractional currency, gold certificates, silver certificates and Treasury notes.

What is meant by the term NET ?

Free of all charges or deductions such as actual profit or actual loss. The net earnings of a stock company are the earnings left after deducting all expenses.

How do NET EARNINGS and NET PROFITS DIFFER ?

These terms are frequently, but wrongly used synonymously. When all operating expenses are deducted from gross earnings the remainder is termed Net Earnings. In banking, however, losses frequently occur on loans, no matter how conservative a bank may be. Such losses deducted from the "net earnings" leave a balance which is called "net profits." Even in the National Bank Act, the term "net profits" is used referring to the profits before losses have been deducted.

What is the NEW YORK CLEARING HOUSE ?

The official title of the organization under which the associated banks of New York conduct daily clearings.

It was organized in September 13, 1853, and clearings were begun on October 11th. The association now owns and operates in its own building.

What is the NEW YORK STOCK EXCHANGE?

The New York Stock Exchange is unincorporated. It is not a corporation, neither is it a partnership. It exists under a written constitution and by-laws. Neither the constitution of the New York Stock Exchange; nor the rules and regulations of the London Stock Exchange, state in specific terms the object of organization.

The New York Stock Exchange originated in an agreement dated May 17, 1792, by "Brokers for the Purchase and Sale of Public Stock."

By public stock was meant government securities or government bonds. At that time the brokers met and did business under a buttonwood tree that stood in front of the dividing line between the present Nos. 68 and 70 Wall Street. In 1817 a constitution was adopted under the name "New York Stock and Exchange Board." On January 29, 1863, the present name, "New York Stock Exchange," was adopted.

The membership of the New York Stock Exchange is limited to 1,100. The admission fee is \$2,000, but this is in addition to the cost of membership itself, which depends on the "condition of the market," for seats, as memberships are termed. Nowadays a membership is obtained by buying the seat of a retiring, deceased or expelled member. A member is elected for life or until he resigns or is expelled.

Expulsion from the exchange forfeits membership, but not the proceeds of it. Temporary insolvency involves suspension. Permanent insolvency involves loss of membership, and the proceeds of the

membership are applied to the payment of the claims of creditors who are members of the exchange. If there is a surplus, it goes to the member, or if he has been declared a bankrupt, to his assignee.

What is the meaning of NOMINAL ?

In name only, as nominal values are the named but not the intrinsic values.

What are NON-ASSENTED STOCKS and BONDS ?

They are stocks and bonds which the owners refuse to deposit under any agreement by which their position may be changed.

What is COMMON OR GENERAL STOCK ?

In Great Britain when an ordinary or common stock has been divided into two classes, one nominated as preferred, receives no dividend until the other called preferred has received a dividend. The deferred stock is called A stock and the preferred, B stock.

B, or preferred stock, is not the same as preferred stock in the United States. The United States preferred stock is called preference stock in England, and preference stock is sometimes divided into two or more classes, called first preference, second preference, etc. In the United States we class as first preferred, second preferred, etc. When there is only one class of preference stock ahead of an ordinary stock in England, the B, or preferred stock, is equivalent to second preferred stock in the United States.

What is NON-ASSESSABLE STOCK ?

A stock that cannot be assessed. Ordinarily nowadays, stocks are issued in non-assessable form.

What is NON-CUMULATIVE STOCK ?

It is stock on which dividends, if not paid, do not accumulate. If dividends are not paid for a period subsequently they can be paid without reference to the period when they were not declared.

What is meant by NON-INTEREST BEARING ?

Bearing or paying no interest. Money issued by the United States government is a non-interest-bearing obligation; the government pays no interest on it. Bonds issued by the United States government, since the government pays interest on them, are interest-bearing obligations.

What is a NOTE BROKER ?

One who negotiates the sale of promissory notes. A note broker differs from a money broker. The commission of a note broker is generally $\frac{1}{8}$ or $\frac{1}{4}$ of 1% of the amount for handling the paper. It is paid by the one for whom the broker sells the paper. The buyer pays no commission.

What are ODD LOTS ?

Any number under 100. Usually if you purchase odd lots of stocks you have to pay on the Stock

Exchange $\frac{1}{8}$ to $\frac{1}{2}$ per cent. more than for a 100-share lot, and when you sell you have to make a corresponding concession.

What is the meaning of ON A SCALE ?

Used in speculative operations in stocks, meaning buying or selling at stated intervals, as prices decline or advance.

What is an OPTION ?

Buying or selling property to be received or delivered by the buyer or seller in accordance with the terms of agreement.

In speculation, an "option" is paying for the privilege of either receiving or delivering a specific amount of a security at a specified price within a limited time.

Stocks bought on the buyer's option, giving the buyer the option to demand delivery of the stock on any day within the time specified in the contract on one day's notice to the seller. In stocks sold on seller's option, the seller may deliver the stock to the buyer on any day within the time specified on one day's notice to the buyer.

When a dividend becomes due on a stock during the operation of an "option" on it, the dividend is collected by the seller of the stock, who holds it, allows interest on it and pays the dividend, with the interest on it, to the buyer on the settlement of the contract. When an "option" on a stock matures during the closing of transfer books, the seller of the stock gives to the buyer of the stock a due bill for the dividend

payable when the dividend is paid, but the due bill bears no interest.

What is the meaning of OVERBOUGHT ?

When more stocks are bought than can easily be carried and there is no demand, it having for the time ceased. It is then said that the market is overbought and a reaction of prices will probably follow.

What is an OVERSOLD MARKET ?

When more stocks are sold than the bears can obtain or deliver without bidding up prices. The market then is technically described as oversold.

What are PACIFICS ?

Southern Pacific, Union Pacific, Northern Pacific, Missouri Pacific and Texas Pacific.

What are PAPER PROFITS ?

Profits existing on contracts which have not been closed, as they are not represented by money in the owner's possession, they are classed as paper profits.

What is meant by the term PAR ?

The face value. If the face value of a stock is \$100 it is at par when selling at 100, and above par when it is selling at a higher price, and is below par when selling at a lower price.

What is meant by PAR OF EXCHANGE ?

It is the fixed intrinsic value of the monetary unit of one country expressed in the terms of the money of another country, which uses the same metal as a standard of value. In the United States gold money is 4.11 shillings, or 4 shillings, 1.31 pence in English gold money, or 5 francs, 18.26 centimes in French gold money, or 4 reichmarks (marks) 19.79 pfennig in German gold money, or 2 guilders (florins) 48.78 cents in Netherlands (Holland) gold money, etc.

If the price paid for a bill of exchange just equals the amount for which it is drawn, then exchange is at par; if more is paid, exchange is above par; if less is paid, exchange is below par.

Between a gold standard country and a silver standard country, there can exist no fixed "par of exchange," as silver, unlike gold, has no fixed value.

What is PASSING A DIVIDEND ?

A term adopted by corporations to describe an act which expresses the fact that the directors have voted against declaring it.

What is the meaning of PEGGED ?

A stationary market, neither declining nor advancing, and held by buying or selling orders. It is said to be "pegged" when the market is dull and inactive.

What are PIT TRADERS ?

Grain brokers who trade or speculate for their own account, accepting the fluctuating profits and losses themselves.

What is a PLUNGER ?

A speculator who trades heavily and takes big chances of profits and losses. Successful plungers are rare.

What is a POINT ?

In stocks one point means \$1 a share. At par \$100 stock has advanced a point when it sells at \$101.

What is a POOL ?

When stocks and funds are united by a clique to carry through a corner in any securities, the whole plan is called a "pool."

What are POSTED RATES ?

Each day dealers in foreign exchange post rates at which they will sell bills in small amounts to travelers and merchants.

What is POUNDING A STOCK ?

Free selling of long and short stocks. "The market experienced considerable pounding from professional traders," means that there was liberal buying and selling of both the long and short sides.

What constitutes a POWER OF ATTORNEY ?

When a person wishes to delegate to an agent or representative the right to transact any business which necessitates signing checks drawn against his account or the signing of papers which carry any obligation, he issues to such agent or representative

a written "power of attorney," a regular legal form, conveying to his agent or representative the power to sign, placing such limitation as to the length of time such power of attorney shall be in force, as the circumstances or business may require.

What is a PREMIUM ?

It means more than the par value of a stock. When stock sells at a "premium," it sells at a price in excess of the par value. Pennsylvania, par 100, selling at 110, would mean that the stock is selling ten points above par value.

What are PRIMARY SHIPMENTS ?

The aggregate daily shipments of grain from the primary or leading points to consuming points.

What is the PRINCIPAL ?

The investment on which interest is payable. If you buy 100 shares of New York Central at par \$100, the total amount is your principal or investment, thus, \$10,000. Any dividend received would be interest on your "principal" or investment.

What are PRIVATE WIRE HOUSES ?

Commission brokerage houses, having headquarters in New York and Chicago, which connect with offices in other cities by leased private telegraph wires. Such brokers engage their own operators and supply the correspondence to execute orders with facility and accuracy.

What is meant by the term PRIVILEGE ?

It is a term used on the Stock Exchange or curb to designate a call, spread or straddle. Privileges are legal and are frequently bought to protect the speculator against loss. They can be enforced as contracts, though they are not officially recognized by the New York Stock Exchange rules.

What are PROFESSIONALS ?

They are room-traders, scalpers and others who speculate for their own account.

What are PROMOTERS ?

Those who assist in starting or promoting a financial, industrial or commercial enterprise by enlisting capital.

What are PROMOTERS' SHARES ?

They are shares issued by corporations and paid to the promoter in payment for services rendered in organizing or promoting a company.

What is PRO-RATE ?

To allot or divide in proportion; as to "pro-rate" dividends or assessments; to make an agreement or arrangement on the basis of a given rate proportionately.

What is a PROXY ?

It is giving to another the power to represent you. The ordinary use of the word is applied to stockholders' meetings when some stockholders cannot

attend in person; they assign their right to vote to some other stockholder who is said to hold the proxy of the absent stockholders.

What is PULLING THE STRINGS ?

To unload stocks, then circulate reliable and unreliable bad news in order to bring about a decline, thereby shaking out traders on a margin.

What is a PUT ?

It is an agreement in writing or may be verbal, binding one broker to receive from another a certain stock named within a stated period at a stated price, if the holder of the stock shall so demand. Illustration: Brown agrees to take from Smith 100 shares of Reading at \$100 or par per share, any time within 30 days if Smith demands. If Reading goes down below 99 so Smith can make a profit by buying, he does so and forces Brown to take it from him at \$100. If the stock does not go below 99 or advances within the 30 days, Brown makes \$100. One day's notice must always be given when stock is to be delivered, except on the last day of the agreement.

What is PYRAMIDING ?

A speculator buys one hundred shares of stock at the market price, and puts up a 10% margin. The stock advances 5 points, and he buys fifty shares more with his five point profit. If it advances still further he buys more stock. In other words he

uses all his profits to purchase more stock as the market goes up. The same rule, only with reversed conditions, is applied in selling stock short on a margin. Pyramiding is looked upon as very dangerous in speculation.

What is a QUARTER ?

In England dealers figure 2,240 pounds to the ton. A quarter of wheat consists of eight bushels, or 480 pounds.

What is a QUINTAL ?

In metric measure it is equal to 220.46 pounds avoirdupois.

What is a READJUSTMENT ?

It is the reconstruction of a corporation when all the stockholders are in favor of the plan. In a readjustment, when new bonds are issued bearing a lower rate of interest than the old ones and an exchange is made with stockholders, the loss of interest is usually made up in a bonus of stock or in other security. Other forms of exchanging are adopted at times, at the pleasure of the particular corporation. Readjustment of financial corporations without foreclosure proceedings are not frequent, though sometimes are carried through.

What are REALIZING SALES ?

Sales of stocks made to secure profits.

What is a REBATE ?

When part of an amount paid to brokers for commissions or transportation is returned to the customers it is said to be "rebated."

What are RECEIVER'S CERTIFICATES ?

They are certificates issued by a receiver for the purpose of raising money for a corporation when under the jurisdiction of a court. The court must approve the certificates and they then constitute a first lien upon the net earnings and property of the corporation in receivership. .

What are RECEIVING HOUSES ?

Grain houses which make a business of receiving and selling cash grain.

What is a RECOVERY ?

A quick upward movement after a decline in market prices.

What are REGISTERED BONDS ?

Government bonds which are payable only to the order of an individual or corporation, the name of the owner being registered at Washington. If stolen or lost "registered bonds" cannot be transferred.

What is a REHYPOTHECATION ?

It is taking collateral on which a loan has already been secured and securing another loan on the same collateral by the parties who made the first loan. If not done with the consent of the owner it is illegal.

What is a RELEASED ENDORSED BOND ?

If a bond is deposited as security for bank circulation, or to comply with insurance laws and so endorsed, it may be released by having the released property acknowledged before a notary public, according to New York Stock Exchange rules.

What are RENTES ?

They are bonds and other securities representing the government indebtedness of France; also the sums paid as interest on this indebtedness are classed as rentes.

What is a REORGANIZATION ?

Applied to the compulsory reconstruction of a corporation thereby differing from readjustment. It follows receivership and foreclosure proceedings. The plan of reorganization ordinarily is to pay the first mortgage bonds and unpaid interest in full. If they desire, holders may exchange their bonds of the old company for bonds of the reorganized corporation, together with or without stock. Holders of old bonds, that prefer cash, are paid. In some cases holders who exchange their old bonds for new, receive cash for the unpaid interest.

What is meant by REPUDIATION ?

It is a term applied usually to the rejection of a part or a whole of its debt by a government, but is sometimes used to imply the rejection of any debt or obligation.

What is a REVENUE ACCOUNT ?

It comes from two principal sources in a railroad accounting: (1) operation, and (2) interest on loans and investments or rentals. Gross income from operation consists of revenue from passenger and freight transportation, baggage, storage, mail, stock-yards, steamers, elevators, balance of car mileage, switching charges, telegraph companies, etc.

What is RIGGING THE MARKET ?

The same as manipulation of stocks by insiders.

What is RINGING A COTTON CONTRACT ?

It is a form of settlement of cotton contract differences employed at one time. It is the crude idea involved in the Clearing House principle, and was designed to eliminate the receipt and delivery of the cash cotton.

What is RIVER PLATE WHEAT ?

The Rio de la Plata forms the boundary line between Uruguay and Argentina, and the adjoining territory produces wheat which is known in the trade as "River Plate Wheat."

What is a ROOM TRADER ?

A member of an exchange who speculates for his own profit and loss.

What is a SACK ?

Exported flour is put into jute sacks, or bags, containing 140 pounds. In order to reduce sacks to barrels the rule is to multiply by 5 and divide by 7. A sack of Rio coffee averages 200 pounds and of Java coffee, 133 pounds.

What is SADDLING THE MARKET ?

To foist or saddle a certain stock on the Street.

What is SALTING A MINE ?

It is placing high grade ore in a poor or worthless mine for the purpose of deceiving a prospective purchaser.

What is SALTING DOWN STOCK ?

To buy stock and hold it for a long period; practically the equivalent of an investment.

What is a SAMPLE CROWD ?

Brokers on the New York Produce Exchange and the Chicago Board of Trade who deal in car-lots of grain, basing their sales and deliveries on exhibits of samples in the Board Room.

What is a SCALPER ?

A "scalper" is a room trader who takes $\frac{1}{8}$ and $\frac{1}{4}$ profits or losses, when trading for his own account. His attention is confined to the smallest fluctuations and he acts quickly.

What is SCALPING ?

It is following the rapid changes of the market, and taking small profits or losses with the rapidity with which the market fluctuates.

What is SCRIP ?

Provisional certificates stating that the holder is entitled to receive shares of stock, bonds, payment of interest, dividends or wages. Such certificates when issued in lieu of stock possess no voting or dividend rights.

What is SEIGNORAGE ?

The difference between the commercial money value of bullion and the face value of the coin.

What is SELLER THE YEAR ?

A contract which gives the seller the right to deliver the property sold at any time within one year from date of contract.

What is a SELLER'S OPTION ?

The seller has the right to deliver stock at his pleasure or convenience within a time stipulated at a stated amount. It is the opposite of a "buyer's option;" grain contracts at "seller's option" may be delivered any day in the delivery month. The buyer must receive the grain or sell his contract on or before the first day of the delivery month to some third party.

What is **SELLING OUT A MAN** ?

Selling down a stock so low that the one carrying it on margin is compelled to quit and perhaps fail. To dispose of "long" stocks when a speculator has failed to make good his margins.

What is a **SHARE** ?

One of the equal parts into which the capital stock of a company or corporation is divided. The unit of stock division.

What are **FOUNDERS' SHARES** ?

Shares which are sometimes given to the founders and promoters of a company; such shares generally divide the surplus profits with the common shares after a certain percentage has been paid on the latter. These shares are chiefly the result of an English custom, and are not usually known in America.

What is **SHIFTING OF LOANS** ?

Banks are sometimes obliged to call many loans, and brokers are obliged to pay off their loans and renew them with the same bank or some other bank at new rates. This process is known as "shifting of loans."

What is a **SHILLING** ?

The English shilling is a silver coin, equal to 12 pence; the 20th part of one pound sterling and 24.3 cents. A York shilling is equal to half an English shilling.

What is a SHORT INTEREST ?

Any interest in the market represented by the aggregate sales of men who have sold stocks with the expectation of buying at lower prices.

How are SHORT INTERESTS sometimes created ?

Taking a period when a corner is being worked in a stock, the practice of those engineering it is to freely loan the stock in a way to encourage the creation of a "short interest" in it. When the "short interest" has grown enough and the stock is heavily over-sold, the demand for the return of the stock brings the corner to a climax.

What is a SHORT MARKET ?

An oversold market. When the total contracts for the delivery of stocks exceed the supply at a certain range of prices, the market is said to be short.

What is SHORT SELLING ?

It is selling stocks, then borrowing them in order to make immediate delivery. When finally bought, such stocks must be returned.

What is a SICK MARKET ?

When the market is suffering from previous over-speculation, and there is a lull in buying.

What are SILVER CERTIFICATES ?

Notes not legal tender but receivable for public dues. They are issued in denominations of \$1, \$2, \$5 and \$10, and higher, by the Government against silver dollars deposited in the Treasury.

What is a SINKING FUND ?

Any sum or part of a corporation's income set apart at specified times for the redemption of debts.

What is a SLUMP ?

A serious, unexpected decline in price of stocks.

What is a SNIPE ?

A curbstome broker was, in earlier days, referred to as a "snipe."

What is a SOFT SPOT ?

A weak point in the market, when any small orders break prices.

What are SOUTHERNS ?

A term applied to Southern Railway, Louisville & Nashville, Norfolk & Western, Chesapeake & Ohio, and other Southern Railroads.

What are SPECIALISTS ?

Brokers who make a specialty of dealing in one or two stocks only; also called "\$2 brokers;" owing to many of their orders coming from other brokers, for which they receive \$2 for each 100 shares bought or sold.

What is a SPLIT ?

A "split" deal means that on the produce market when one-half of an even number of bushels of corn, etc., is sold at one price, and the other half at another, the price is split in the bill rendered. Supposing 5,000 bushels are sold at a split price of 32-32 $\frac{1}{4}$ —2,500 would be billed at 32 and 2,500 at 32 $\frac{1}{4}$.

What is a SPREAD ?

A double stock privilege which gives the holder the right to deliver or demand certain stock on stated terms, also grain price differences between different options, or between the same option in different cities. The difference between the put and call price of any stock.

How do SPREAD and BACK SPREAD differ ?

The difference in equivalent prices between New York and London permits two kinds of operations in stocks that are dealt in by both markets. One operation is called a "spread," and the other a "back spread."

A "spread," as employed in arbitrage dealings, means more than a normal difference in prices between London and New York. The stock is sold in London where the higher price prevails, and bought in New York, where a lower price prevails. Then, when the equality in price is restored the transaction is closed by buying and selling in New York.

In a "back spread" there must be less than the normal difference in prices between New York and London.

What is being SQUEEZED ?

When the market has been sold short and the shorts become frightened and are forced to excitedly bid up prices in competition with the owners of stocks, they are said to have been "squeezed."

What is STOCK ?

Certificates issued by a corporation legally certifying that the holder holds ownership of a certain number of shares in such corporation.

What is COMMON STOCK ?

Common stock, general or ordinary stock differs from preferred stock, because it has no preference as to dividends or assets. When a corporation issues preferred stock it is necessary to give the ordinary stock the title of "common" to distinguish it from the "preferred." When there is no issue of preferred, then the ordinary stock is not referred to as "common," but is known simply as capital stock. Sometimes there are different kinds of common stock or ordinary stock, particularly English issues. A portion of the issue may be called "deferred" because no dividend will be paid until a prior portion has received a dividend at a fixed rate. It is the custom in such cases to designate a portion of the issue as "A stock" and as "B stock" to distinguish the two classes.

What is a GUARANTEED STOCK ?

A stock having its dividends guaranteed by another company than the one issuing the stock. Railroads

frequently guarantee dividends on the stock of leased roads.

What is HALF STOCK ?

Stock issued in certificates of the par value of \$50, instead of the usual \$100. Delaware, Lackawanna & Western, Reading, Pennsylvania and American Tobacco are examples of "half stock."

What is PREFERRED STOCK ?

A stock that shares in the surplus earnings or dividends of a corporation before the common stock of a corporation can participate. Some stock issues are arranged in first and second "preferred" and "common" classes, but ordinarily, only "preferred" and "common" stock are specified in the capitalization of a corporation.

What is SPILLING STOCK ?

When stocks are dumped on the market from necessity, to break prices or take profits, the act is called "spilling stock."

What is a TRUSTEE STOCK ?

The highest class stock issued, such as may be passed on and authorized by law in which trustees may invest their trust funds.

What are UNLISTED STOCKS ?

They are stocks not listed or quoted on the quotation board of the Stock Exchange. They are classified in what is called the Unlisted Department of the New York Stock Exchange.

What is WATERED STOCK ?

When the capital stock is increased without an equal increase in assets, the operation is termed "watering stocks."

How should a STOCK CERTIFICATE be endorsed ?

If you sell or transfer your stock, notice particularly how the certificate is filled in on its face. If it reads John Smith, it should be endorsed John Smith on the back of the certificate when it is transferred to another party. Do not sign J. Smith or any other way except "John Smith." Fill in the date and have it witnessed, then send it to your broker for transfer. He will guarantee your signature.

What is the STOCK EXCHANGE CLEARING HOUSE ?

A place where the brokerage differences in the accounts of the members of the New York Stock Exchange are settled.

Before the establishment of the clearing house a broker who had made sales of stock was obliged to send stocks to the office of the various purchasers and collect payment from them, and brokers from whom he had bought stocks were obliged to send the stocks to his office to collect payment. This entailed annoyance and resulted in many delays. He was compelled to make collections and payments for the full amounts, but under the clearing house plan, he can settle all transactions in one operation.

A member, at the end of each day, makes up a sheet called a clearing house sheet, containing his purchases and sales. On one side of the sheet, under the head, "Received from," puts down his purchases, each purchase having a line for itself. In each transaction the name of the broker from whom the purchase was made comes first, and then in order below the number of shares, the name of the stock, the price at which purchased, and the amount in dollars of the purchase.

The other side of the sheet under the head, "Delivered to," contains the list of stocks sold.

If the broker has bought more of any particular stock than he has sold, or sold more than he has bought, there is a stock as well as money difference to be settled, but the settlement of the stock difference is provided for when the sheet is made up.

The settling price is an arbitrary price fixed by the manager of the clearing house. Each day at the close of business the manager of the clearing house sends out through the ticker the settling prices for the various stocks for the use of brokers in making up their clearing house sheets. In their use in making up the sheets they are called making-up prices; in their use in making settlements they are called settling prices. These settling prices are the even prices next nearest to the last prices of the day.

The broker who is short stocks in his sheet by selling more than he bought, must borrow the stocks that he is short of for his deliveries, according to Stock Exchange Rule.

Not all stocks that are dealt in on the New York

Stock Exchange are cleared through the stock exchange house. Only those on the clearing house list are cleared. The stocks on this list are the ones actively dealt in. If an inactive stock becomes active it is put on the list; if an active stock becomes inactive it is taken off the list.

Transactions in stocks not on the clearing house list are not reported to the clearing house at all. Settlements in these stocks are made between the brokers in the ordinary course of business.

What is BORROWING AND LENDING STOCKS ?

When a customer sells stocks "short," the stocks must be delivered to the purchaser, and must be borrowed to make delivery. The speculative customer sells stock short on margin and the broker must deliver the stock to the purchaser according to the Stock Exchange rules. It is usually very easy for the broker to make delivery of stock, as there are holders long of stock and willing to lend it. The lender of stock on exchange is credited with the market value of it in money and pays interest to the borrower.

Brokers on the New York Stock Exchange who have stocks to borrow or to lend meet immediately after the close of business to report transactions closed, and arrange deliveries for the next day. Should they fail to secure the stock the same day, they must do so before 2:15 the day following. When returning borrowed stock, the borrower must notify the lender before it is called on the day of delivery, and

the lender is required to observe the same rule in demanding stock. On a "flat" loan the loaner is relieved from the cost of carrying the stock. The premium that the loaner receives is velvet. If a loaned stock advances in market price, the lender may require the borrower to pay the difference between the price at which the stock was loaned and the advance price. On the other hand, if the stock declines in price the borrower may require the lender to return to him the difference.

What is STOCK POWER ?

It is a name assigned to an irrevocable power of attorney used in transferring title to a stock certificate.

What is a STOP ORDER ?

When buyers on a margin do not wish to increase their margins or are operating on small amounts, they limit their losses by placing a limit price at which to buy or sell their orders and stop further loss.

What is a STRADDLE ?

It is similar to a "spread," meaning a "put" and "call" privilege combined, with only one price named in it. The stock must go up or down more than the amount paid for the "straddle" before there is any profit in it.

What is a SWIMMING MARKET ?

When everything is lively and the trading is brisk, the market is said to be "swimming."

What is a SYNDICATE ?

In financial affairs it means several financiers who associate themselves to carry out some plan or scheme of promotion or financing involving large sums of money.

What are TAILERS ?

A following of little traders who tail on a bull or a bear movement on the theory that to follow in the wake of the successful men is the way to make money.

What is a TAPE READER ?

A "tape reader" is known in all brokerage offices and generally among speculators. He has gained his title from his ability to stand over a ticker and anticipate the fluctuations of the market. Years of experience are required to make a proficient "tape reader." Tape reading, though not an exact science, might be termed an approximate one. It is not alone the knowledge gained in standing over a ticker, but one must have "trading sense," an innate quality or gift, some possess, but others do not. The tape reader watches all the transactions on the floor of the Stock Exchange, as recorded on the tape, and deduces therefrom the momentary changes or movements of the market. The slightest variation in price or volume may have an immediate effect on the market trend and the experienced tape reader, with the rapidity of a lightning calculator, forms a logical conclusion from the signs he reads. A tape reader is

never a decided Bull or a Bear. He changes his market position many times a day during an active market, and must be able to reverse himself with facility and dispatch.

What is a TICKER ?

A stock indicator. Quotations made in an exchange board room are telegraphed by operators to a ticker office and then immediately sent out over a wire system connecting with thousands of tickers. The ticker is a glass-enclosed mechanical device through which runs a ribbon of paper on which is printed the abbreviation of the stock and bond names with the quantities sold and prices.

What is a TIERCE ?

A cask of lard containing 340 pounds. Lard is quoted at so much per 100 pounds. The value of a tierce is obtained on multiplying by 3 2-5.

What is a TIME LOAN ?

In Wall Street it is money borrowed for a specified period, ordinarily not less than 30 days, nor more than six months. Such loans are secured by a deposit of collateral in the form of stocks and bonds.

What is a TIRED MARKET ?

After a partly forced advance of the market, when buying orders are exhausted, the market is said to look tired.

What is the meaning of TO BUY IN ?

Purchasing stock in order to meet a short contract, or to enable one to return stock which has been borrowed, is termed "buying in."

What is TONNAGE ?

The carrying capacity of vessels is termed tonnage. In Wall Street the word is used to designate the total amount of freight handled by railroads.

What is TRAFFIC DENSITY ?

Railroads in their reports give the number of tons and the number of passengers carried one mile, with the average rate received per ton and per passenger. The traffic density is obtained by dividing the ton mileage by the number of miles operated either in freight or passenger service.

What is TRANSCONTINENTAL ?

Crossing a continent; applied to railroads having transcontinental lines.

What is a TRANSFER ?

When stock is sold it is registered in the name of the purchaser on the books of the company issuing the stock. If the same stock is again sold by the purchaser to another person, said stock must be transferred on the books of the company to enable the new purchaser to be a stockholder of record in order to receive any dividends that may be paid by the company.

What is A GOOD TRANSFER?

This term applies to stock endorsed the same on the back as the name reads on the face of the stock certificate. If endorsed in any other form it is not legal and will not be accepted for transfer on the books of the company issuing the stock.

What are TRAPS ?

Formerly applied to broken-down, depreciated railroad and other stocks. Not used now.

What are TRUNK LINES ?

Through railroad lines extending from the Atlantic coast to Western points, such as Chicago, St. Louis, Kansas City, etc.

What is a TRUST COMPANY ?

An incorporated banking institution operating on a charter which gives it the power to accept and execute trusts as provided by law, also to receive deposits of money or other personal property, issuing obligations therefor. To lend money on real and personal securities, according to the law of the State in which it is incorporated. Trust companies are not permitted to issue bills to circulate as money, nor to make loans directly or indirectly to their officers.

What is TWISTING THE SHORTS ?

When there is a big short interest in the market, and prices are suddenly and artificially advanced,

thereby compelling the bears to settle with heavy losses, the process is referred to as "Twisting the shorts."

What is TWO PER CENT. UP ?

Stock bought or sold at buyer's or seller's option for a number of days is usually sold at a price of 2 per cent. up from the market. The parties to a contract sometimes insert a provision for a preliminary deposit of 10 per cent., more or less, to insure the contract.

What is an UNDERLYING MORTGAGE ?

One having a prior claim or date to another one. A first mortgage underlies a second one, etc.

What is an UNDERTONE ?

Used in designating the underlying strength or weakness of the markets by financial letter writers, as "The market had a strong undertone."

What is UNDER THE RULE ?

When a member of an exchange fails to receive or deliver stock for which he has made contracts, the chairman sells or buys the stock in question for the account of the delinquent member, who is charged with any deficit resulting therefrom. Such transactions are made under the exchanging rule providing for them, and the letters "U. R." on the ticker tape designate such transactions.

What is an UNDERWRITER ?

In insurance affairs, one who insures. In corporate affairs, one who subscribes for the stock of a company for the purposes of financing or reselling the securities. This process is called "underwriting."

What are UNITED STATES TREASURY NOTES ?

Notes issued in payment of purchases of silver and gold, and redeemable in gold or silver at the option of the Secretary of the Treasury. The Sherman Act of 1890 made these notes legal tender except when otherwise stipulated.

What is UNLOADING ?

Selling out a stock which has been carried for some time.

What is an UPSET PRICE ?

The lowest limit price at which goods or securities will be sold when offered at auction.

What is a VALUE BILL ?

A draft or bill of exchange drawn against consignments of property.

What is a VOTING TRUST ?

Placing all or the majority of the stock of a company in a pool or trust for a certain specified time for voting purposes only. Such a trust is formed at times to carry out policies agreed upon.

What are WAREHOUSE RECEIPTS ?

Receipts of a warehouseman for goods received by him and held in store. Warehouse receipts are assignable and are frequently accepted by banks to secure loans. The transfer of the receipt completes the delivery of the property.

.What is WASHING ?

A term used to describe the simultaneous operation of buying and selling the same stock for the purpose of making quotations, and inducing speculation. Such sales are called Wash Sales.

What is WATERED STOCK ?

An increase in or the issuing of capital stock, with no corresponding increase in assets, or when there are no real assets on which the stock is issued.

What is WHIPSAWED ?

When speculators are caught buying at the top and selling at the bottom market prices, or selling at the bottom and buying at the top in a market movement, they are said to be "whipsawed."

What is a WIDE OPENING ?

During active business when a large crowd is trading in a single stock the opening sales frequently are at varying prices, sometimes as high as ten points difference in the selling price.

What is the meaning of WIND ?

Sometimes applied to bears. As they do not possess the property which they sell, they are referred to as "selling wind."

What is the meaning of WIPED OUT ?

When a speculator loses all of his margins or principal, he is "wiped out."

What is WORKED FOR EXPORT ?

Grain that has been sold and worked out of the storehouse and into the hold of a vessel, is referred to as "worked for export."

What are WORLD'S SHIPMENTS ?

Weekly shipments of grain from exporting to importing countries are called "world's shipments."

ABBREVIATIONS

Adopted for convenience on the New York Stock Exchange, and used on the paper tape of the Tickers in Brokers' Offices in giving price quotations of Securities.

ABV.	NAMES	ABV.	NAMES
A.....	Atchison, Topeka & Santa Fe Ry.	BC.....	Burlington, Cedar Rapids & Northern.
AB.....	N. Y. Air Brake Co.	BCH.....	Beech Creek R. R.
ABS.....	American Beet Sugar Co.	BCK.....	Butterick Company.
AC.....	American Telegraph & Cable Co.	BF.....	Brooklyn Ferry ss.
ACL.....	American Coal Co. of New Jersey.	BI.....	National Biscuit Co.
AD.....	American District Telegraph Co.	BK.....	Brunswick Dock & City Imp. Co.
ADK.....	American Dock & Imp. Co.	BKM.....	Brunswick Mining Co.
AE.....	Adams Express.	BM.....	Batopolis Mining Co.
AEO.....	Atchison, T. & Santa Fe East. Oklo. Div.	BMB.....	N. Y., Brklyn & Manhattan Beach R. R.
AF.....	American Spirits Mfg. Co.	BN.....	Brooklyn, Queens Co. & Suburban.
AG.....	American Agricultural Chemical Co.	BO.....	Baltimore & Ohio R. R.
AH.....	Allis-Chalmers Co.	BP.....	Union Bag and Paper Co.
AJS.....	Atchison, T. & S. Fe adjustment.	BR.....	Buffalo, Rochester & Pittsburg Ry.
AKN.....	Louisville & Nashville, Atlanta, Knoxville & Cincinnati 4s.	BS.....	Bethlehem Steel Corporation. R.
AL.....	American Linseed Co.	BSQ.....	Buffalo and Susquehanna R. R.
ALO.....	American Locomotive Co.	BV.....	Brooklyn Union Gas Co.
ALT.....	Chicago & Alton Ry.	BV.....	Brooklyn Union Elevated R. R.
AM.....	American Express.	BW.....	B. & O, Pitt., L. E. & W. Va. System.
AMS.....	Associated Merchants Co.	BWY.....	Broadway & Seventh Ave. R. R.
AN.....	Ann Arbor R. R. Co.	BX.....	Balto. & Ohio Southwestern Ry.
ANC.....	Anaconda Mining Co.	C.....	Amalgamated Copper Co.
AO.....	American Cotton Oil Co.	CA.....	Canadian Pacific Co.
AR.....	American Smelting & Refining Co.	CAH.....	Cahaba Coal Mining Co.
AS.....	Albany & Susquehanna R. R. Co.	CAN.....	American Can Co.
ASY.....	American Smelters Securities Co.	CAR.....	Carolina Central Ry.
AT.....	American Tobacco Co.	CB.....	Central Branch, Union Pacific Ry.
ATT.....	American Telephone & Telegraph Co.	CBG.....	Central R. R. and Banking Co. of Ga.
AX.....	Atlantic Coast Line R. R.	CBM.....	Central Branch, Missouri Pacific Ry.
AY.....	Allegheny & Western Ry.	CBR.....	Cuba Railroad Co.
B.....	Brooklyn Rapid Transit Co.	CC.....	Cleveland, Cin., Chic. & St. Louis Ry.
		CCD.....	Colorado Coal & Iron Development Co.
		CCK.....	Cripple Creek Central Railway Co.

ABV.	NAMES	ABV.	NAMES
CCM...	Consolidation Coal Co., of Maryland.	CUV...	Chicago Union Elevated R. R.
CD...	Consolidated Tobacco Co.	CW...	Chicago & Western Indiana R. R.
CE...	Chicago & Eastern Illinois R. R.	CX...	Colorado & Southern Ry.
CEN...	N. Y. Central & Hudson River R. R.		
CF...	Colorado Fuel & Iron Co.	D...	Denver & Rio Grande R. R.
CGC...	Consumers' Gas Co., of Chicago.	DE...	Detroit & Mackinac Ry. Co.
CGL...	Chicago Gas Light & Coke Co.	DEG...	Detroit Gas Co.
CGT...	Chi. Terminal & Trans. R. R.	DES...	Des Moines & Ft. Dodge R. R.
CGV...	Columbia & Greenville R. R.	DGS...	Dakota & Gt. Southern R. R.
CH...	Nash., Chattanooga & St. L. Ry.	DH...	Delaware & Hudson Canal Co.
CHD...	Cincinnati, Hamilton & Dayton Ry.	DI...	Duluth & Iron Range R. R.
CHE...	Chicago & Erie R. R.	DIS...	Distilling Co. of America.
CHI...	Chicago, St. Louis & N. O. R. R.	DK...	New York Dock Co.
CI...	Chicago, Indianapolis & Louisville Ry.	DL...	Delaware, Lakawanna & Western R. R.
CIN...	Cin., Indianapolis, St. L. & Chic. R. R.	DM...	Det., Mackinaw & Marq. R. R.
CIP...	U. S. Cast Iron Pipe and Foundry Co.	DN...	Diamond Match Co. R.
CJU...	Chi. Junc. R. ways & Un. Stk. Yds. Co.	DO...	Detroit Southern R. R.
CK...	Central Coal & Coke Co.	DR...	Distillers' Securities Corporation.
CL...	Central Leather Co.	DS...	Duluth, South Shore & Atlantic Ry.
CLO...	Colorado Industrial Co.	DU...	Detroit United Railways.
CLS...	N. Y. Central, Lake Shore, 3 ^{ds} .		
CLW...	Cleveland, Lorain & Wheeling Ry.	E...	Erie R. R.
CM...	Colorado Midland Ry.	EB...	Electric Storage Battery Co.
CMC...	N. Y. Central, Michigan Cen. 3 ^{ds} .	EGL...	Erie General Lien.
CML...	Commercial Cable Co.	EI...	Edison El. Illuminating Co. of N. Y.
CN...	Columbus & Ninth Ave. R. R.	EJ...	Elgin, Joliet & Eastern Ry.
CNP...	Corn Products Co.	EK...	Edison Illuminating of Brooklyn.
CO...	Chesapeake & Ohio Railway.	EM...	Eastman Kodak Co. of N. J.
COT...	Continental Tobacco Co.	EN...	National Enameling & Stamping Co.
CP...	Central Pacific Ry.	EP...	Erie & Pittsburgh R. R.
CR...	Corn Products Refining Co.	ET...	East Ten., Virginia & Georgia R. R.
CRI...	Chicago, Rock Island & Pacific R. R.	EV...	Evansville & Terre Haute R. R.
CRU...	Crucible Steel Co. of America.	EVI...	Evansville & Indianapolis R. R.
CRW...	Conn. Railway & Lighting Co.	EW...	Lake Erie & Western R. R.
CS...	Canada Southern Railway.		
CSA...	Central & South American Tel. Co.	FD...	Fort Worth & Denver City Ry.
CST...	Chicago, St. Louis & Pittsburgh R. R.	FG...	Fort Worth & Rio Grande Ry.
CTC...	Comstock Tunnel Co.	FN...	Flint & Père Marq., Port Huron Div.
CTX...	Chicago Union Traction Co.	FP...	Flint & Père Marquette R. R.
CU...	Republic of Cuba Bonds.	FR...	Federal Sugar Refining Co.

FRU...	United Fruit Co.	IL...	Illinois Central R. R.
FS...	Federal Mining and Smelting Co.	ILO...	Illinois Central, Louisville Division.
FU...	Mutual Fuel Gas Co.	ILX...	Illinois Central, St. Louis Division.
FW...	Pittsburg, Fort Wayne & Chic. Ry.	IM...	St. L., Iron Mtn. & Southern Ry.
FY...	American Steel Foundries.	IMR...	St. L., Iron Mtn. & S. Riv. & Gulf Div.
G...	Consolidated Gas Co.	INA...	Indiana, Illinois & Iowa R. R.
GB...	Granby Consolidated Mining, Smelting and Power Co., Ltd.	IND...	Chicago & Indiana Coal Railway Co.
GC...	General Chemical Co.	INP...	International Steam Pump Co.
GE...	General Electric Co.	INT...	International Traction Co.
GF...	Gulf & Ship Island R. R.	IP...	International Paper Co.
GH...	Galv., Har. & San Antonio R. R.	IPW...	International Power Co.
GHH...	Galv., Houston & Henderson Ry.	IR...	Ingersoll-Rand Co.
GI...	Gila Valley, Globe & Northern Ry.	IRT...	Interborough Rapid Transit Co.
GL...	Georgia & Alabama Ry.	IS...	American Ice Securities Co.
GN...	Green Bay & Western Ry.	IT...	International & Great Nor. R. R.
GNO...	Great Northern Temporary Cfts. for Ore Properties.	IW...	Indiana, Bloomington & Western.
GNR...	Great Northern Railway.	J...	Central R. R. of New Jersey.
GO...	Central of Georgia Ry.	JF...	Jefferson & Clearfield Coal & Iron Co.
GP...	Georgia Pacific R. R.	JG...	St. Joseph & Grand Island R. R.
GR...	American Grass Twine Co.	JO...	Joliet & Chicago.
GS...	Gold & Stock Telegraph Co.	JP...	Imperial Japanese Govt. Bonds.
GW...	Chicago & Great Western Railway.	K...	Missouri, Kansas & Texas Ry.
GX...	Galv., H. and San A., Mex. & Pac. Div.	KCP...	Kansas City & Pacific.
H...	New York & Harlem R. R.	KE...	Missouri, Kansas & Eastern.
HBC...	H. B. Clafin Company.	KK...	Keokuk & Des Moines R. R.
HI...	Columbus & Hocking C. & Iron.	KM...	Kanawha & Michigan Ry.
HJ...	Hannibal & St. Joseph R. R.	KN...	Knickerbocker Ice Co. of Chicago.
HL...	American Hide & Leather Co.	KNS...	St. L., Kan. & North. St. Chas. Bridge.
HM...	Homestake Mining Co.	KO...	Knoxville & Ohio R. R.
HN...	Havana Electric Ry. Co.	KPM...	Kingston & Pembroke Mining Co.
HP...	N. Y. Gas & Elec. Light, Heat & P. Co.	KR...	Kings County Electric Lt. & Power Co.
HS...	Horn Silver Mining Co.	KSU...	Kansas City & Southern Ry.
HT...	Houston & Texas Central R. R.	KSV...	Kansas City, Ft. Scott & Memphis R. R.
HV...	Hocking Valley Ry.	KU...	Kansas City, Ft. Scott & Memphis Ry.
HW...	Hackensack Water Co.	KV...	Kings County Elevated R. R.
IA...	Iowa Central Railway.	KY...	Kentucky Central R. R.
IB...	Interborough Metropolitan Co.	L...	Louisville & Nashville R. R.
IDW...	Indianapolis, Decatur & Western R. R.	LE...	Illinois Central R. R. Leased Lines.
		LG...	Laclede Gas Co., of St. Louis.

ABV.		NAMES		ABV.		NAMES	
LI....	Long Island R. R.	LS....	Lake Shore & Michigan Southern Ry.	MV....	Met. West Side Elevated of Chicago.	N.....	Norfolk & Western Ry.
LK....	Lackawanna Steel Co.	LT....	National Lead Co.	MW....	Milwaukee, Lake Shore & West. R. R.	NA....	North American Co.
LMO.	Lou. & Nash., New Orleans & Mob. Div.	LÜ....	Underground Electric Ry. of London.	MXC.	Mexican Central Railway.	NCC....	New Central Coal Co.
LNS..	Lou. & Nash., R. R. & S. Ry. Monon 4s.	LV....	Lehigh Valley R. R.	MXT.	Mexican Telegraph Co.	NE....	Newhouse Mines and Smelting.
LO....	Louisville, New Albany & Chic. R. R.	LW....	Lexington Ave. & Pavonia Ferry R. R.	MY....	Milwaukee Electric Ry. and Light Co.	NFS....	Nashville, Florence & Shef'd Ry.
LOR..	P. Lorillard Co.	LX....	Manhattan Beach Co.	M&B.	Mobile & Birmingham R. R.	NH....	New York, New Haven & Hart. R. R.
L.R....	United States Leather Co.	M....	Manhattan Elevated Railway.			NJ....	United New Jersey R. R. & Canal Co.
L.S....	Lake Shore & Michigan Southern Ry.	MA....	American Malt Corporation.			NJT....	New York & New Jersey Telephone.
LU....	Underground Electric Ry. of London.	MAH.	Mahoning Coal Railroad Co.			NL....	New York, Lackawanna & W. R. R.
LV....	Lehigh Valley R. R.	MAR.	International Mercantile Marine.			NN....	Northern Central Railway.
LW....	Lexington Ave. & Pavonia Ferry R. R.	MB....	Manhattan Beach Co.			NOR..	Northern Pacific Ry.
LX....	Lexington Ave. & Pavonia Ferry R. R.	MC....	Michigan Central R. R.			NPO..	Norfolk and W. Pocahontas Coal Co.
M....	Manhattan Elevated Railway.	MD....	Maryland Coal Co.			NR....	Norfolk & Western, New River Div.
MA....	American Malt Corporation.	ME....	Morris & Essex R. R. R. R.			NRD..	Nat'l Starch M'fg. Co.
MAH.	Mahoning Coal Railroad Co.	MET..	Metropolitan Elevated			NSO...	Norfolk & Southern R. R.
MAR.	International Mercantile Marine.	MEX.	United States of Mexico.			NU....	Nassau Electric Ry.
MB....	Manhattan Beach Co.	MIL...	Michigan State Telephone Co.			NV....	United States Envelope Co.
MC....	Michigan Central R. R.	MJ....	Milwaukee & Northern R. R.			NW....	Chicago & Northwestern Ry.
MD....	Maryland Coal Co.		Midland Railroad of New Jersey.			NWT.	Northwestern Telegraph Co.
ME....	Morris & Essex R. R. R. R.		The Mackay Companies.			NX....	New Orleans Railway and Light Co.
MET..	Metropolitan Elevated		Missouri, Kansas & Oklahoma.			NY....	City of N. Y. Corporate Stk. or Bonds.
MEX.	United States of Mexico.		St. Paul, Minneapolis & Manitoba R. R.			NYM.	New York Mutual Gas Light Co.
MG....	Michigan State Telephone Co.		Manila Electric R. R. and Lighting Co.				
MIL...	Milwaukee & Northern R. R.		Mexican Northern Ry.			OG....	Ohio & Ind. Con. Natural & Il. Gas Co.
MJ....	Midland Railroad of New Jersey.		Mobile & Ohio R. R.			OHW.	Ohio, Indiana & Western R. R.
MK....	The Mackay Companies.		Montana Central R. R.			OM....	Chicago, St. P., Minneapolis & Omaha.
MKO.	Missouri, Kansas & Oklahoma.		Morgan's Louisiana & T. R. R. & S. S.			ONT..	Ontario Silver Mining Co.
MM....	St. Paul, Minneapolis & Manitoba R. R.		Missouri Pacific Railway.			OR....	Oregon Railroad & Navigation Co.
MN....	Manila Electric R. R. and Lighting Co.		Metropolitan Street Railway.			ORC..	Oregon & California R. R.
MNO.	Mexican Northern Ry.		Minneapolis & St. Louis R. R.			ORS..	Oregon Short Line R. R.
MO....	Mobile & Ohio R. R.		Minn., St. Paul & Sault Ste. Marie Ry.				
MON.	Montana Central R. R.		Montreal Light, Heat & Power Co.				
MOR.	Morgan's Louisiana & T. R. R. & S. S.						
MP....	Missouri Pacific Railway.						
MR....	Metropolitan Street Railway.						
MS....	Minneapolis & St. Louis R. R.						
MSM.	Minn., St. Paul & Sault Ste. Marie Ry.						
MT....	Montreal Light, Heat & Power Co.						

OTT..	Ottumwa, C. F. & St. Paul R. R.	RV...	Rutland Railroad.
OW...	New York, Ontario & Western Ry.	RW...	Rome, Watertown & Ogdensburg R. R.
		RY...	Railway Steel Spring Co.
P....	Pacific Mail Steamship Co.	S.....	American Sugar Refining Co.
PA....	Pennsylvania R. R.	SA....	San Antonio & Aransas Pass Ry.
PC....	Pittsburg Coal Co.	SAK...	St. Lawrence & Adirondack Ry.
PE....	Peoria & Eastern Railway.	SAV...	Sixth Ave. R. R.
PH....	Philadelphia Co.	SB....	Seaboard Air Line.
PMO..	Pacific R. R. of Missouri.	SCG...	South Carolina & Georgia R. R.
PMY..	Pittsburg, McKeesport & Y. Co.	SD....	St. Paul & Duluth R. R.
PO....	People's Gas Light & Coke Co.	SF....	St. Louis & San Francisco R. R.
POT..	Peoria & Pekin Union R. R.	SFR...	St. L. & S. F. Cfts. Chi. & Eastern Ill.
PQT..	Pere Marquette R. R.	SG....	Standard Gas Co.
PRS..	Pressed Steel Car Co.	SH....	Sherman, Shreveport & Southern.
PS....	Pittsburg, Shenango & Lake Eric.	SIL...	Silver Bullion Certificates.
PT....	Pitts., Cin., Chicago & St. Louis R. R.	SK....	Sears-Roeback Co.
PTT...	Cleveland & Pittsburg R. R.	SL....	New York, Chicago & St. Louis R. R.
PV....	Pullman Company.	SLS...	Sloss, Sheffield Steel & Iron Co.
PW....	Philadelphia Rapid Transit.	SM....	Standard Consolidated Gold Mining.
PX....	Pittsburg & Western Ry.	SN....	South & North Alabama R. R.
PY....	Pacific Coast Co.	SNU...	American Snuff Co.
	Pitts., Youngstown & Ashtabula R. R.	SP....	Southern Pacific Co.
Q....	Chicago, Burlington & Quincy R. R.	SR....	Southern Railway.
QU....	Quicksilver Mining Co.	SRM...	Southern Ry., Mobile and Ohio Cfts.
		SS....	St. Louis Southwestern R. R.
R....	The Rock Island Company.	SSO...	St. Louis Southern.
RA....	Ches. & Ohio, Richmond & Alleg'y Div.	ST....	Chicago, Milwaukee & St. Paul Ry.
RB....	New York & Rockaway Beach R. R.	SUN...	Sunday Creek Coal Co.
RBC...	Republic Iron & Steel Co.	SV....	Scioto Valley & New England.
RD....	Richmond & Danville R. R.	SW....	N. Y. Susquehanna & Western R. R.
RG....	Reading Co.	SX....	St. Paul & Sioux City R. R.
RGS..	Rio Grande Southern R. R.	SY....	Cincinnati, Sandusky & Cleveland R. R.
RI....	Chicago, Rock Island & Pacific Ry.		
RL....	Reading Co., Jersey Central, Coll. 4s.	T.....	Texas & Pacific Railway.
RO....	U. S. Realty & Improvement Co.	TAV...	Third Ave. R. R.
RP....	Rio Grande & Western Railway.	TAS...	Terminal R. R. Association of St. Louis.
RR....	Rochester & Pittsburg R. R.	TC....	Tennessee Copper Co.
RR...	Rubber Goods Mfg. Co.	TD....	Toledo Railways and Light Co.
RS....	Rensselaer & Saratoga R. R.	TI....	Tennessee Coal, Iron & R. R. Co.
RSY..	R. R. Securities Co., Ill. Cen. Stock.	TIB....	Tenn. Coal & I., Birmingham Div.
RU....	United States Rubber Co.	TID...	Tenn. Coal & I., De Bardeleben Co.

GNT.	Land Grant.	PUR...	Purchasing Receipt.
GTD.	Guaranteed.	RE...	Real Estate.
I.	First.	REG...	Registered.
II.	Second.	S....	South, Southern, Stock, Series or (in figures) Seller, or Shares.
III.	Third.		
IMP.	Improvement.	SB....	Small Bonds.
IN.	Income.	SC....	Scrip.
LL.	Leased Lines.	SF....	Sinking Fund.
MAT.	Matured.	STA...	Stamped.
ML.	Main Line.	T....	Terminal.
MTG.	Mortgage.	TR...	Trust Receipts.
N.	New or North.	TX...	Tax.
NB.	New Bonds.	UN...	Unified.
NF.	Non-fundable.	UR...	Under the Rule.
NS.	New Series.	W....	West or Western.
OB.	(In figures) Offered.	WI...	When Issued.
OP.	Opening of Books.	X....	Ex-coupon Dividend or Interest.
PR.	Preferred.		

GENERAL ARRANGEMENTS USED TO DENOTE SALES, BIDS AND OFFERS.

One price following the name of a stock signifies a sale of 100 shares at that price, thus: **ST. 145.**

when more or less than 100 shares are sold, the number of shares sold will precede the price, thus: ST.
200. 145. 10. 145.

An offer alone, without a bid, is preceded by an 0 and a dot, thus: ST. 0. 145. A sale and offer, thus: ST. 145. 0. 145.

A bid alone, without an offer, is followed by the letter **B**, thus: **ST. 145. B.**

A bid and offer are separated by by three dots, thus: 145. . 1/4.

When a sale is not recorded in its proper place the price will be preceded by the abbreviation SLD., thus: ST. SLD. 145.

When the amount sold and the price are so nearly alike that they may be taken for two sales, the amount of the sale will be followed by the letter S and a dot, thus: **\$1.145.8.145**, meaning St. Paul **145** shares at **145**. When the * is printed, it denotes that the quotation it follows is correct.

When an error has been made by the reporter, or in printing, the last letter or figure is repeated several times, indicating that the quotation is to be thrown out, thus: **ST 14511111**.

Three-day contracts in stocks which have been placed in the Clearing House will be printed thus: ST.
200. 145. 3.

OFFICIAL TIME OF THE STOCK EXCHANGE.

At fourteen minutes after two P.M., the words Hammond's Time will be printed on the tape, and shortly after the lever of the instrument will give fifteen distinct beats.

At the end of the fifteen beats it is 2h. 16m. P.M., and the close of the recognized settlement time for transactions of the Exchange.

METRIC SYSTEM.

The Decimal or Metric System of moneys, weights, and measures is now established in France, and has been adopted to a greater or less extent, in Belgium, Spain, Portugal, Holland, Switzerland, Sweden, Austria, Turkey, Brazil, and several other countries.

MM. Delambre and Mechain estimated the length of the meridian from the Equator to the Pole by the measurement of an arc between Dunkirk and Barcelona, and the ten millionth part of this meridian, or one-fourth of the circumference of the earth, was taken as the unit of length, and is termed a Metre.

The square of 10 metres is the unit of surface measure, and is called an Are (pronounced air).

The cube of the tenth part of a metre is the unit of capacity for either Liquid or Dry Measure, and is called a Litre (pronounced lè-tur).

A kil'olitre, the cube of a metre, is the unit of Solid Measure, and is known as the Stere.

A Gramme is the weight of a quantity of water, at 32° Fahr. (the temperature of melting ice), contained in a cube of the one-hundredth part of a metre.

The names of the multiples of these integers are derived from the Greek, and those of the divisions from the Latin language.

Deca signifies 10 times.

Hecto signifies 100 times.

Kilo signifies 1,000 times.

Myria signifies 10,000 times.

Deci, the 10th part.

Centi, the 100th part.

Mille, the 1,000th part.

MONEY.

10 Centimes=1 Decime. 1

10 Decimes, or 100 Centimes=1 Franc.

The French coin is based upon the unit of weight—the Gramme.

WEIGHTS.

Gramme=15.432349 grains Troy.

The kilogramme (1000) grammes) is the weight most frequently used in commerce, and is equal to 2.679227 lbs. (2 lbs. 8 oz. 3 dwt.) Troy; or, 2.204621 lbs. (2 lbs. 3 oz. 4.652 dr.)

453 3-5 grammes=1 lb avoirdupois.

373 $\frac{1}{4}$ grammes=1 lb Troy.

453 3-5 grammes=1 lb avoirdupois.

1 cwt.=50.80234 kilogrammes.

100 myriogrammes=1 ton, 20 1-6 lbs.

1 quintal mètrique=100 kilogrammes.

Note—At the U. S. Post Office 15 grammes are taken as $\frac{1}{2}$ ounce.

MEASURES OF LENGTH.

1 metre=39,371 English inches.

1 decimetre=3.9371 English inches.

1 kilometre=0.62138 miles.

1 English mile=1.609036 kilometres.

Merchants usually reckon the metre as one and one-twelfth yards.

MEASURES OF SURFACE.

1 are=a square decametre=119.6046 square yards.

1 centiare=10.76441 square feet=1.196046 square yards.

1 hectare=2 acres, 1 rood, 35 perches.

1 acre, English=40466 hectares.

100 square feet=9.28987 square metres.

MEASURES OF CAPACITY.

1 litre=61.02803 cubic inches=2.1135 wine pints, or 1.7608 imperial pints, or 908 quarts dry measure.

1 hectolitre=3.53171 cubic feet=22.01 imperial gallons, or 26.419 wine gallons, or 2.839 Winchester bus.

MEASURES OF SOLIDITY.

1 stere or kilolitre=35.31714 cubic feet=.2759 cord.

1 stere=1.308042 cubic yards.

100 cubic inches=16.38592 cubic centimetres.

The terms of the Metric System are now generally used by scientific men. Congress, by act of July 27, 1866, made it lawful in contracts and in legal proceedings to employ the weights and measures of the Metric System; and Great Britain in 1864 passed an act authorizing its use.

VALUE OF FOREIGN MONEY.

(c. copper; g. gold; s. silver).

Coin.*	COUNTRY.	U. S. Equiva- lent.
Argentine, g.....	Argentine Rep.....	¢4.82
Bolivar, s.....	Venezuela .....	.19
Boliviano, s.....	Bolivia .....	.43
Centavo, c.....	Mexico .....	.005
Centime, c.....	France .....	.002
Condor, g.....	Chile	3.65
Copeck, c.....	Russia .....	.005
Crown, s.....	Austria .....	.20
Crown, s.....	Denmark .....	.27
Crown, s.....	Great Britain	1.20
Crown, s.....	Norway .....	.27
Crown, s.....	Sweden .....	.27
Dollar, s.....	Mexico .....	.47
Drachma, s.....	Greece .....	.19
Farthing, c.....	Great Britain .....	.005
Florin, s.....	Austria .....	.40
Florin, s.....	Great Britain .....	.48
Florin, s.....	Netherlands .....	.40
Franc, s.....	France .....	.19
Gourde, s.....	Hayti .....	.96
Guilder, s.....	Netherlands .....	.40
Guinea, g.....	Great Britain	5.11
Gulden, s.....	Austria .....	.48
Heller, bronze.....	Austria .....	.0025
Kran, s.....	Persia .....	.08
Kreuser.....	.....	.005
Krone (see crown).....	.....	.....
Lira, s.....	Italy .....	.19
Lira, g.....	Turkey	4.40
Mark, s.....	Germany .....	.24
Medjidie, g.....	Turkey .....	.88
Milreis, s.....	Brazil .....	.55
Milreis, g.....	Portugal	1.08
Ore, c.....	Scandinavia .....	.0025
Penny, c.....	Great Britain .....	.02
Peseta, s.....	Spain .....	.19

VALUE OF FOREIGN MONEY.—*Continued.*

Coin.	COUNTRY.	U. S. Equiva- lent.
Peso, s.....	Central America ....	.47
Peso, s.....	Cuba .....	.93
Peso, s.....	Uruguay	1.03
Pfennig, c.....	Germany .....	.0025
Piastre, s.....	Turkey .....	.04
Pound, g.....	Egypt	4.94
Pound, g.....	Great Britain	4.87
Reis (see Milreis or 1000 reis).....	.....	.....
Ruble, g.....	Russia .....	.51
Rupce, s.....	India .....	.32
Scudo, g, s.....	Italy .....	.95
Sen, c.....	Japan .....	.005
Shilling, s.....	Great Britain .....	.24
Sixpence, s.....	Great Britain .....	.12
Sol, s.....	Peru .....	.49
Soldo, c.....	Italy .....	.01
Sovereign, g.....	Great Britain	4.87
Sucre, s.....	Ecuador .....	.49
*Tael (customs) s.....	China .....	.72
Yen, s.....	Japan .....	.50

*The value of the Chinese tael varies in different provinces from 36 to 72 cents.

LEGAL INTEREST AND STATUTE OF LIMITATIONS.

STATE.	INTEREST.		LIMITATIONS.		
	Legal rate P. ct.	By con- tract P. ct.	Judg- ments Yrs.	Notes Yrs.	Acc'ts Yrs.
Alabama	8	8	20	*6	3
Alaska	8	10	—	—	—
Arkansas	6	10	10	5	3
Arizona	7	Any	5	5	3
California	7	Any	5	4	2
Colorado	8	Any	20	6	6
Connecticut	6	6	†	†	6
Delaware	6	6	§	6	3
District of Columbia	6	10	12	3	3
Florida	8	10	20	5	2
Georgia	7	8	7	6	4
Idaho	10	12	6	5	4
Illinois	5	7	20	10	5
Indiana	6	8	¶10	10	6
Indian Territory ...	6	10	10	5	3
Iowa	6	8	20	10	5
Kansas	6	10	5	5	3
Kentucky	6	6	15	15	*5
Louisiana	5	8	10	5	3
Maine	6	Any	20	††6	6
Maryland	6	6	12	3	3
Massachusetts	6	Any	20	6	6
Michigan	5	7	6	6	6
Minnesota	7	10	10	6	6
Mississippi	6	10	7	6	3
Missouri	6	8	20	10	5
Montana	8	Any	10	8	5
Nebraska	7	10	5	5	4
Nevada	7	Any	6	6	4
New Hampshire ..	6	6	20	6	6
New Jersey	6	6	20	6	6
New Mexico	6	12	7	6	4
New York	6	6	20	6	6

LEGAL INTEREST AND STATUTE OF LIMITATIONS.

(Continued).

STATE.	INTEREST.		LIMITATIONS.		
	Legal rate	By con- tract	Judg- ments	Notes	Acc'ts
	P. ct.	P. ct.	Yrs.	Yrs.	Yrs.
North Carolina	6	6	10	*3	3
North Dakota	6	12	10	6	6
Ohio	6	8	5	15	6
Oklahoma	7	12	1	5	3
Oregon	6	10	10	6	6
Pennsylvania	6	6	5	6	6
Rhode Island	6	Any	20	6	6
South Carolina ...	7	8	10	6	6
South Dakota	7	12	10	6	6
Tennessee	6	6	10	6	6
Texas	6	10	10	4	2
Utah	8	Any	5	4	2
Vermont	6	6	8	††6	6
Virginia	6	6	10	5	2
Washington	7	12	6	6	3
West Virginia	6	6	10	10	5
Wisconsin	6	10	20	6	6
Wyoming	8	12	21	5	8
CANADA.					
British Columbia ..	6	Any	20	6	6
Manitoba	6	Any	10	6	6
New Brunswick ...	6	Any	20	6	6
Nova Scotia	—	Any	20	6	6
Ontario	6	Any	20	6	—
Quebec	6	Any	30	5	5

*Under seal 10.

†No law.

‡Negotiable notes 6; non-negotiable 17.

§Varies by counties.

¶Real estate 20.

††Under seal 12.

††Under seal 14.

THE INVESTOR'S CATECHISM

A D D E N D A

What is a CAMPER ?

One who watches the moves of the big operators in the Street and tries to buy and sell when the leaders are doing the same is called a "camper."

What is a DUMMY DIRECTOR ?

It is one who is elected for a temporary period, having no real interest in the corporation, or one who is elected to serve the interests of some controlling power, to act and do as he is bid without individual reason or purpose.

What is a DUMMY STOCKHOLDER ?

One in whose name stock is issued, but who does not own it; dummy stockholders are used by the actual owners of stock to conceal their names from the public, for various purposes.

What is EMERGENCY CURRENCY ?

During a panic or any stringent money market, any currency provided outside of the regular issue of the banks and government is called an "Emergency Currency." For instance, Clearing House Certificates such as were issued by the Clearing House Associations of the principal cities in 1908, provided an "Emergency Currency."

THE INVESTOR'S CATECHISM

What are FALLING AVERAGES ?

If the amount of the average deposits, loans, cash balances, etc., in the weekly statements of the banks are declining, the statement is referred to as made up on "falling averages."

What is FIAT MONEY ?

It is paper money issued by a government not backed by an equal amount in real value of gold or silver coin or bullion deposited in the United States Treasury. In other words, it is notes or paper money issued by a government on its credit.

What is a FINANCE COMMITTEE ?

It is a committee of a corporation elected or appointed to arrange all questions relating to the finances of the corporation or institution. Such a committee must sanction or report favorably on any important changes in a financial policy before it can be put into execution. The number of members of a "finance committee" differs according to the by-laws of a corporation.

What is a FISCAL AGENT ?

The term is ambiguous in a legal sense, as its direct application has not been established in a court of law. The word "fiscal" practically means financial, so in that form a fiscal agent is a financial agent or an agent representing the money interest of an individual or a firm. Usage among brokers has

THE INVESTOR'S CATECHISM

brought the acceptance of "fiscal agent" to mean an ex-broker who undertakes to raise money for a corporation by selling its securities to the public direct and through other brokers. The "fiscal agent" differs from the "underwriter," as ordinarily the fiscal agent assumes no obligation beyond advertising expense and incidental expenses accompanying the general exploitation and sale of the securities. Sometimes he is allowed the call on a block of stock at a fixed price and sometimes his compensation is a certain commission or percentage of total sales.

What is the GOLD STANDARD ACT ?

An act of March 14, 1900, which fixes the standard gold dollar as one containing 25.8 grains of gold, nine-tenths fine. All forms of money issued or coined by the United States must be maintained on a parity of value with the gold standard.

What is a SUBSIDIARY COMPANY ?

It is a company, the control of which is vested in another corporation, through the ownership of a majority of its stock. The company owning the control of the stock of the "subsidiary" company is known as a Holding Company.

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